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ABSTRACT

This handbook is designed for high school counselors guiding students through the process of applying for financial aid for postsecondary education. Using a simple, direct style, it covers the basic information, some common mistakes, and provides resource information that counselors can use or refer students to. Part 1, "General Information about Postsecondary Education Opportunities," includes sources of aid, eligibility requirements, demonstrating need, choosing a school, and opportunities for disadvantaged students. Part 2, "The Application Process for Financial Aid," covers the complete process for submitting the Free Application for Federal Student Aid (FAFSA) using paper or electronic methods. How the application is processed, deadlines, and tips for getting through it smoothly are included. Part 3, "Completing the Free Application for Federal Student Aid," reviews the questions to clarify their intent. A copy of the application is supplied. Appendix A includes additional sources of information such as web sites and publications. Appendix B is a "Directory of State Agencies." Appendix C provides sample handouts. Phone numbers, Internet addresses, and a glossary of specialized terms are also included. (EMK)

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ED 427 270

The High School Counselor's Handbook

1999-2000

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Important Telephone Numbers for School Counselors

Federal Student Aid Information Center

Toll-free number for checking status of FAFSA and corrections, requesting a duplicate SAR, or asking general questions ..... **1-800-4-FED-AID (1-800-433-3243)**

Toll number for adding schools or changing permanent addresses **1-319-337-5665**

TDD (for the hearing impaired) **1-800-730-8913**

Application Ordering System Hotline

Placing publication or FAFSA orders or checking order status **1-800-284-2788**

FAFSA on the Web

General information and technical assistance **1-800-801-0576**

Inspector General Hotline

Reporting student aid fraud, waste, or abuse ..... **1-800-MIS-USED (1-800-647-8733)**

Important Web Sites for School Counselors

ED's Information for Students ..... **http://www.ed.gov/studentaid**

Help in Completing the FAFSA ..... **http://www.ed.gov/prog_info/SFA/FAFSA**

Federal School Codes for FAFSA ..... **http://www.ed.gov/studentaid**

FAFSA on the Web ..... **http://www.fafsa.ed.gov**

Funding Your Education ..... **http://www.ed.gov/prog_info/SFA/FYE**

Looking for Student Aid ..... **http://www.ed.gov/prog_info/SFA/LSA**

The Student Guide ..... **http://www.ed.gov/prog_info/SFA/StudentGuide**

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Introduction

The *High School Counselor's Handbook 1999-2000* is designed to help high school counselors advise students about financial aid for postsecondary education, especially the student financial aid programs administered by the U.S. Department of Education.

We also have included supplementary materials that suggest ways to encourage high school students to consider postsecondary education as an avenue to a more rewarding career.

We welcome any comments or suggestions on ways to make this handbook more useful in future editions. Please send your comments to:

U.S. Department of Education
Training and Program Information Division
OSFAP/PTAS
ROB-3, Room 3028
400 Maryland Avenue, SW
Washington, DC 20202

We hope you find this publication informative and helpful.

PART 1 General Information About Postsecondary Education Opportunities

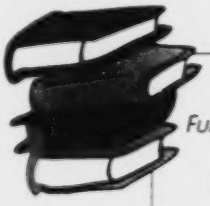
Many high school students don't know they may be eligible for financial aid to attend college. Unfortunately, many of the neediest students assume they can't afford to go to college to continue their education. But financial aid is available through private, school, state, and federal student aid programs.

To help students find out more about the U.S. Department of Education's (ED's) student financial assistance programs, you can give them copies of *Funding Your Education*, a free ED publication especially for high school students. Each fall ED sends order forms for *Funding Your Education* to every high school in the United States. Individual copies may also be ordered by mail or by telephone:

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044

Telephone: **1-800-4-FED-AID** (1-800-433-3243)

High schools may order bulk quantities of *Funding Your Education*, the Free Application for Federal Student Aid (FAFSA), and the Spanish version of the FAFSA by calling ED's automated Application Ordering System (AOS) Hotline at **1-800-284-2788** using a touch-tone telephone. When a counselor calls this number, an automated voice system asks for the high school's mailing list number assigned by ED. The AOS Hotline can provide information on previous orders, including the mailing date. When ordering additional forms, the AOS Hotline verifies the orders, the date since the last order, and the number of documents ordered.

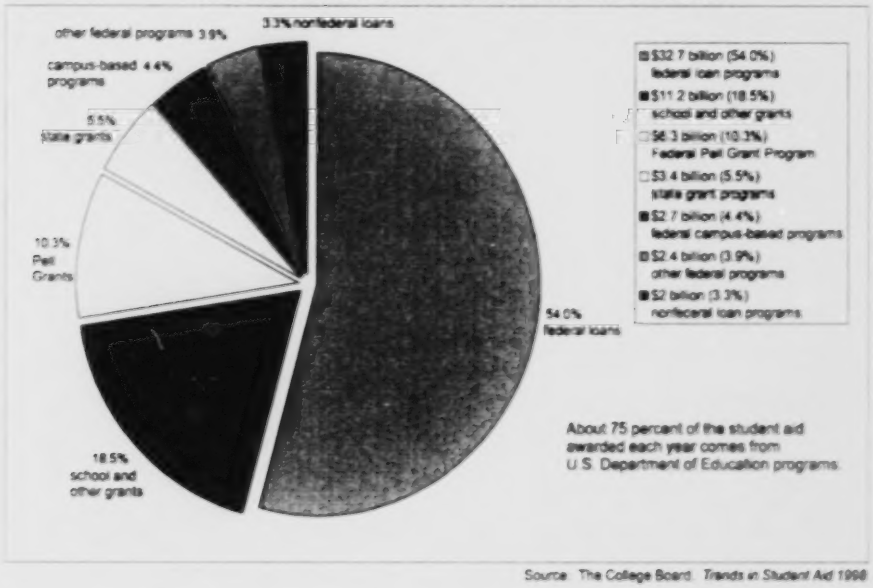


Students can access *Funding Your Education* and the FAFSA on ED's Web page
http://www.ed.gov/finaid.html

SOURCES OF AID

The U.S. Department of Education student financial aid programs are authorized by the Higher Education Act of 1965. The programs deliver billions of dollars, as the following pie chart for 1997-98 shows, representing a substantial federal commitment to provide financial assistance for postsecondary students. For 1998-99, these programs provided approximately $48.5 billion in aid to 8.5 million people.

Sources of student financial aid for 1997-98


other federal programs 3.9%
3.3% nonfederal loans
campus-based 4.4% programs
5.5% state grants
10.3% Pell Grants
18.5% school and other grants
54.0% federal loans
$32.7 billion (54.0%) federal loan programs
$11.2 billion (18.5%) school and other grants
$6.3 billion (10.3%) Federal Pell Grant Program
$3.4 billion (5.5%) state grant programs
$2.7 billion (4.4%) federal campus-based programs
$2.4 billion (3.9%) other federal programs
$2 billion (3.3%) nonfederal loan programs
About 75 percent of the student aid awarded each year comes from U.S. Department of Education programs.

Source: The College Board. *Trends in Student Aid 1998*

Other important sources of aid, some of which are nonfederal, may also be available to your students. Encourage your students to search on the Internet and check the reference section of the school library or public library. **Appendix A** has some helpful references. Many scholarship search services are free or low cost. Students are encouraged to check out the reputation of a search service before paying for this service.

The major federal student financial aid programs

- **Federal Pell Grant Program**—Federal Pell Grants are awarded according to rules set by Congress. If a student is eligible on the basis of these rules, an eligible school will pay the student his or her Federal Pell Grant and be reimbursed by ED.

- **Campus-Based Programs**—Campus-based programs are administered by the financial aid office at the school. ED funds participating schools annually at a specified level. The school then awards these funds to students following federal guidelines. When those funds are spent, no more campus-based aid is available at that school for the year. Therefore, the earlier an eligible student applies, the more likely he or she is to receive campus-based aid. The campus-based programs consist of:
  - Federal Supplemental Educational Opportunity Grants (FSEOG)
  - Federal Work-Study (FWS)
  - Federal Perkins Loans

- **William D. Ford Federal Direct Loan Program**—The William D. Ford Federal Direct Loan (Direct Loan) Program enables eligible students and parents to borrow from ED instead of a bank or other lending institution. This way borrowers work with a single entity, ED, through its servicing centers. The Direct Loan Program offers a range of flexible repayment options to meet borrowers' varied financial circumstances. There are four types of Direct Loans:

  - Federal Direct Stafford Loans (subsidized)
  - Federal Direct Stafford Loans (unsubsidized)
  - Federal Direct PLUS Loans (for parents)
  - Federal Direct Consolidation Loans (to combine federal education loan debts)

- **Federal Family Education Loan (FFEL) Program**—The funds lent under the Federal Family Education Loan (FFEL) Program are provided by banks and other lenders, guaranteed by state agencies, and reinsured by the federal government. The FFEL Program also offers a variety of loan repayment options. There are four types of FFEL Loans:
  - Federal Stafford Loans (subsidized)
  - Federal Stafford Loans (unsubsidized)
  - Federal PLUS Loans (for parents)
  - Federal Consolidation Loans (to combine federal education loan debts)

The Direct Loan Program and the FFEL Program have subsidized and unsubsidized loans.

- Subsidized loans are awarded to students on the basis of financial need. The federal government covers the borrower's interest during some significant periods, such as when the student is in school, thereby "subsidizing" these loans.

- Unsubsidized loans are not need-based; the borrower is responsible for interest throughout the life of the loan.

Both subsidized and unsubsidized loans are available to students; PLUS Loans, which are for parents, are always unsubsidized (interest is charged throughout the life of the loan).

A student cannot borrow from both the FFEL Program and the Direct Loan Program at the same time for the same school year. Similarly, a parent cannot borrow from both programs at the same time for the same student. The school the student plans to attend will tell the student which program he or she can borrow from at that school.

Remember:

- ✔ **Grants** (Pell and FSEOG) are gift aid and do not have to be repaid.
- ✔ **Loans** (Perkins, Direct, and FFEL) must be repaid.
- ✔ **Work-study** (FWS) provides income from a part-time job.

See *Funding Your Education* and *The Student Guide* for more information on ED's federal student financial aid programs.

Other ED programs

Leveraging Educational Assistance Partnership (LEAP) Program

The **Leveraging Educational Assistance Partnership (LEAP) Program**, formerly known as the State Student Incentive Grant (SSIG) Program, assists states in providing grants to eligible postsecondary students. Each state has its own name for this grant program, as well as its own award amounts and application procedures. Many of the eligibility criteria are established by the state agency administering the program, although LEAP recipients must also meet the same basic eligibility criteria that apply to other federal student financial aid recipients. States may use a percentage of their LEAP funding to provide work-study assistance through community-service job programs. Because of the variations in state programs, student and school inquiries about LEAP and other state grant, scholarship, and work-study assistance should be directed to the appropriate state agencies listed in **Appendix B**.

Robert C. Byrd Honors Scholarship Program

Under the **Robert C. Byrd Honors Scholarship Program (Byrd Program)**, which recognizes and promotes student excellence and achievement, ED makes grants to the states to provide scholarships to exceptionally able postsecondary students. Recipients under this program are known as Byrd Scholars. Applicants must follow the application procedures established by the sponsoring state education agency. The state education agency establishes procedures for selecting the scholars after consulting with school administrators, school boards, teachers, counselors, and parents. Byrd Scholars are awarded an amount each year (not to exceed the cost of attendance) for each of their first four years of study at any institution of higher education. State agencies are listed in **Appendix B**.

Vocational rehabilitation programs

ED also provides **student aid for disabled persons** through programs administered by state vocational rehabilitation agencies. Students must meet state eligibility criteria for these programs, and this aid must be coordinated with student aid from other sources to prevent duplicating benefits. Students are most likely to receive the maximum assistance by contacting, as early as possible, the state agencies administering the state programs for their home states and the financial aid offices at the schools they plan to attend.

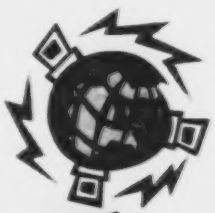
Other federal programs

Federal income tax credits

Two federal income tax credits—dollar-for-dollar reductions in tax liability—are now available for higher education expenses.

- The **HOPE Scholarship**, a tax credit worth up to $1,500 per student per year, is available to first-year and second-year students enrolled at least half time.
- The **Lifetime Learning Credit** is a tax credit up to $1,000 (equal to 20 percent of a family's annual tuition expenses up to $5,000) for virtually any postsecondary education and training, including subsequent undergraduate years, graduate and professional schools, and even less than half-time study.

For further information on these income tax credits, access the Internal Revenue Service's Web site at **http://www.irs.ustreas.gov**



National and community service

AmeriCorps, a program of national and community service, provides full-time education awards of up to $4,725 a year. Individuals may work before, during, or after their postsecondary education and can use the funds either to pay current or future education expenses or to repay federal student loans. Participants must be high school graduates, have GEDs, or be working toward their GEDs. For more information, students may call **1-800-942-2677** or write to:

The Corporation for National Service
1201 New York Avenue, NW
Washington, DC 20525

Or students may access the corporation's Web site at
http://www.americorps.org

Job training

The U.S. Department of Labor administers the **Job Training and Partnership Act (JTPA)** through the states. Training funds vary from state to state. In most cases, the states provide funding for job training and sometimes also provide a transportation allowance for students. For information on JTPA, students can contact their state employment agency. They may also access the U.S. Department of Labor Web site at **http://www.k12.doleta.gov**

Health professions

The U.S. Department of Health and Human Services (HHS) administers several programs for undergraduate students. Students interested in these programs should contact the financial aid office of the school they plan to attend. HHS also administers a number of programs for graduate students in medicine. For more information on financial aid programs administered by HHS, access its Web site at
http://www.hrsa.dhhs.gov/bhpr/dsa/dsa.htm

Or students may call **1-301-443-4776**.

Veterans benefits

The **Montgomery GI Bill–Active Duty Educational Assistance Program** offers education benefits for students who entered active duty for the first time after June 30, 1985 and served continuously on active duty for three years. (Students with only two years of active duty also may be eligible under certain conditions.) More information about this program is in the pamphlet, *Summary of Educational Benefits Under the Montgomery GI Bill–Active Duty Educational Assistance Program*. This pamphlet is available from the U.S. Department of Veterans Affairs.

The **Montgomery GI Bill–Selected Reserve** is a program of education benefits for reservists of the armed forces as well as the Army National Guard and the Air National Guard. To be eligible for this program, a reservist must have a six-year obligation to serve in the Selected Reserve, complete Initial Active Duty for Training (IADT), receive a high school diploma or its equivalent before completing IADT, and remain in good standing in a drilling unit of the Selected Reserve.

Students may qualify for **U.S. Department of Veterans Affairs education assistance benefits** if they are spouses or children of:

- veterans who died or are permanently and totally disabled as the result of a service-connected disability arising from active service in the armed forces;
- veterans who died from any cause while rated permanently and totally disabled from their service-connected disability;
- service persons missing in action or captured in the line of duty by a foreign government or a hostile force; or
- service persons forcibly detained or interned in the line of duty by a foreign government or power.

Benefits may be awarded to pursue associate, bachelor's, or graduate degrees. Courses leading to a certificate or diploma from a business, technical, or vocational school may also be taken. For further information on the Montgomery GI Bill, Veterans Educational Assistance Program (VEAP), and other veterans benefits, students should call **1-800-827-1000** or access the Veterans Affairs Web site at **http://www.va.gov/education**

Military scholarships

Reserve officer training military scholarships are available through the Army, Air Force, and Navy. Military scholarships require recipients to enlist in one of the U.S. Armed Forces while attending college; after graduating, recipients will have a service obligation in either the reserves or active duty. **Appendix C** provides information for high school students about the Army Reserve Officer Training Corps (ROTC), Air Force Reserve Officer Training Corps (AFROTC), and the Naval Reserve Officer Training Corps (NROTC). Feel free to photocopy and distribute this information.

Nonfederal sources: state, private, school

Students should contact their state agencies for information about state programs (see **Appendix B**). A student might also qualify for a private grant or scholarship for academic achievement, religious affiliation, ethnic or racial heritage, community activities, artistic talents, leadership potential, athletic ability, proposed field of study, or hobbies and special interests.

Students can get **free** scholarship and search services information at **http://www.finaid.org** and **http://college-scholarships.com/100college.htm**

The American Legion offers an inexpensive guide to private sources of aid called *Need a Lift?* (see **Appendix A** for ordering information). Other books about financial aid usually are available through a school library or public library. In addition, many postsecondary schools can tell you about institutional and local sources of student financial aid.

There are also computerized scholarship search services that will match a prospective student with sources of financial aid. Some postsecondary schools provide these services free or at low cost. There are also many privately operated scholarship search services; these services tend to be relatively expensive, so a student or parent should consider the extent of the search being offered before committing to such a service. More than 75 percent of all aid awarded comes from federal and state programs that students can easily find out about through *Funding Your Education*, other free publications, and Web sites.

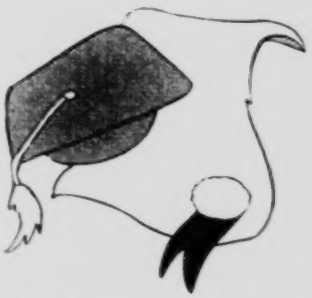
Each year, ED receives numerous complaints from students and parents who did not receive the information they expected from a search service. Although ED does not evaluate private search services, the *Looking for Student Aid* brochure provides some helpful guidelines for students considering using a search service. A sample handout in **Appendix C** lists some questionable tactics students should be aware of. A student considering using a search service can check its reputation by contacting the local Better Business Bureau, the Federal Trade Commission, the U.S. Postal Service, or a state attorney general's office.

Students can receive a free copy of *Funding Your Education*, *Looking for Student Aid*, and/or *The Student Guide* (a comprehensive description of the federal student aid programs) by calling the U.S. Department of Education's toll-free number, **1-800-4-FED-AID**. Texts of these publications are also available on ED's Web site for student aid at **http://www.ed.gov/studentaid**

GENERAL ELIGIBILITY REQUIREMENTS

Eligibility for federal student financial aid programs is based on financial need rather than on academic achievement. To have his or her financial need determined, a student must complete and file a Free Application for Federal Student Aid (FAFSA). Part 3 of this handbook discusses the correct completion of the FAFSA.

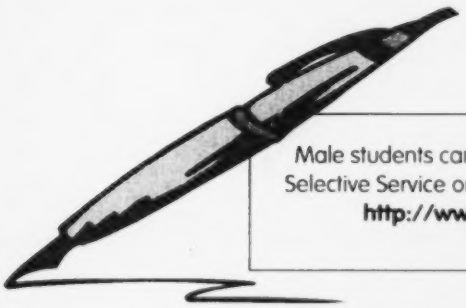
Additionally, to be eligible for federal student financial aid program funds, a student must:



- have a high school diploma or a GED, or receive a passing score on an independently administered examination approved by ED;
- enroll as a regular student in an eligible degree or certificate program;
- be a U.S. citizen or eligible noncitizen;
- have a valid Social Security number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
- make satisfactory academic progress; and
- sign certifying statements on the FAFSA such as using federal financial aid funds only for educational expenses.

Also note that a student must enroll at least half time to be eligible for Direct Loan or FFEL Program funds.

In the past, male students were required to sign a Statement of Registration Status (for Selective Service registration). This statement is no longer required. However, students who must register for the Selective Service may use the FAFSA to do so; one of the questions on the FAFSA (number 29) asks a male applicant if he wants the Selective Service to register him. Students can call the Selective Service at **1-847-688-6888** if they have questions about registering or access the Selective Service's Web site at **http://www.sss.gov**



Male students can register with the Selective Service online by accessing **http://www.sss.gov**

DEMONSTRATING NEED

As we've said, a student must demonstrate financial need to be eligible for most federal student aid. At its simplest level, a student's financial need is the difference between the student's cost of attendance at the school and the amount the family is expected to contribute to the student's education.

Cost of attendance

The financial aid administrator at a school usually develops an average cost of attendance for different categories of students. Some programs of study might have lab fees or higher charges for books and supplies than other programs. Students living off campus might have higher costs for room and board and transportation expenses than students living on campus.

For the federal student financial aid programs, the financial aid administrator must use the definition of "cost of attendance" given in the law when determining what expenses to include. The law specifies that the cost of attendance includes tuition and fees and an allowance for living expenses, such as room and board, books and supplies,

miscellaneous personal expenses (including a reasonable allowance for renting or purchasing a personal computer), and transportation costs. The law also provides limited allowances for loan fees, dependent-care costs, and expenses for disabled students.

Need analysis

The process of analyzing a student's financial need, known as need analysis, focuses on determining how much the family reasonably can be expected to contribute toward the student's education. Traditionally, this is done by collecting information about the family's income, assets, and living expenses. For the federal student financial aid programs, the law specifies a need analysis formula that produces the Expected Family Contribution (EFC). The EFC is used with the cost of attendance to award Federal Pell Grants, campus-based aid, and subsidized loans.

Calculating the EFC

For an EFC calculation, a student must complete and file the Free Application for Federal Student Aid (FAFSA). Unlike college admissions applications, the FAFSA is sent to an ED processing center. The student's information is entered into ED's computer system, which then calculates the student's official EFC. The application process for financial aid is described in Part 2 of this handbook, and completing the FAFSA is discussed in Part 3 of this handbook.

Note: An *EFC Estimator* feature will be included with FAFSA on the Web beginning mid-February 1999.

Determining the Federal Pell Grant amount

To determine the amount of a student's Federal Pell Grant, the financial aid administrator considers the cost of attendance, the EFC, and other factors.

- The lower the EFC is (the less money the family is able to pay for school), the higher the grant award is; a student with a zero EFC—no family contribution is expected—has the most need and receives the largest possible Federal Pell Grant award.
- For 1999-2000, a student with an EFC above 2925 is not eligible for a Federal Pell Grant.

How aid is awarded

The Federal Pell Grant Program is considered the first source of aid to a student so the award amount is not affected by other aid the student receives. For 1999-2000, the maximum yearly grant is $3,125. Also note that awards do not change above a certain cost of attendance.

- For instance, in 1999-2000, if a student has a zero EFC—that is, no family contribution is expected—the student's award is $3,125 if a student goes to a school that has a cost of attendance of $3,125 or higher.

When awarding campus-based aid or subsidized loans, the financial aid administrator must consider other aid available to the student in addition to the EFC.

- For example, consider a student with an EFC of 500 who enrolls in a program that costs $6,000.
  - The student then needs $5,500 in financial aid to go to school ($6,000 - $500 = $5,500).
  - However, when the student receives a $2,550 Federal Pell Grant and a $1,000 outside scholarship, the student's need is reduced by $3,550.
  - Therefore, the aid administrator may award up to $1,950 (the remaining need) in the form of campus-based aid and a subsidized Federal Stafford Loan ($5,500 - $3,550 = $1,950).

When processing **unsubsidized** Federal Stafford loans or Federal PLUS loans, the aid administrator doesn't use the EFC figure to determine the student's or parent's eligibility because these loans are not need based.

- The amount of the loan may not exceed the difference between the student's cost of attendance and all other aid the student is receiving, including aid from private and other nonfederal sources.
- The school also must consider the student's eligibility for other aid before determining a loan amount.
  - For instance, if an independent student in his or her first year of study has a cost of attendance of $7,000 and is eligible for a maximum Federal Pell Grant of $3,125 and a maximum subsidized Federal Stafford Loan of $2,625, the aid administrator may approve the student for an unsubsidized Federal Stafford Loan of up to $1,250 ($7,000 - $3,125 - $2,625 = $1,250).

As we have seen, federal student aid awards ultimately are made on the basis of the student's EFC. It is important to note that even though eligibility for unsubsidized loans is not based on the student's EFC, the student's eligibility for financial aid awarded on the basis of the EFC is considered when awarding these loans.

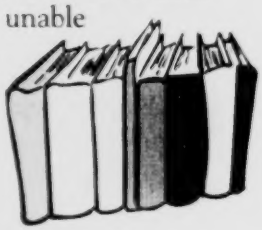
Financial aid package

Using all available federal and nonfederal aid, the financial aid administrator puts together a financial aid package that comes as close as possible to meeting the student's demonstrated need; because funds for all programs are limited, however, the amount awarded can sometimes be less than the amount for which the student is eligible. The financial aid package usually is presented to the student in an award letter.

Note: The student may accept or decline any of the financial aid offered. Students often have questions about the financial aid package; these questions are best handled at the postsecondary school. ED does not regulate how postsecondary schools package aid, as long as it is done consistently.

CHOOSING A SCHOOL CAREFULLY

In recent years, increasing attention has been given to default rates for federal student loan programs. Studies show that many borrowers are unable to pay back their student loans because they withdrew from their educational programs or were unable to find good jobs after they graduated. The choice of an educational program and a school are critical in helping students prepare for gainful employment.



Students who are seeking career training should be advised to consider the following questions before enrolling at any school.

⇨ *Are opportunities in the career field stable or expanding?*

Some careers are relatively stable, such as computer programming, computer systems analysis, accounting, or teaching. Others fluctuate with the economy and changes in technology. For information on career fields, students might want to read several publications published by the U.S. Department of Labor.

- *Occupational Outlook Handbook* is an encyclopedia of careers describing in detail some 250 occupations. Each description includes information on the nature of the work, working conditions, employment, training needed, job outlook, earnings, related occupations, and sources of additional information. Soft cover $42; hard cover $46; CD-ROM $28.
- *Occupational Projections and Training Data* is an annual supplement to the *Occupational Outlook Handbook*, providing statistical and technical data that support the data in the handbook. It also includes rankings of occupations by employment growth, earnings, susceptibility to unemployment, and part-time work. $6.50.
- *Occupational Outlook Quarterly* is a quarterly publication containing articles on specific occupations, general trends in the labor market, and other topics. The publication is designed to help people stay informed on changing career opportunities. Single copy, $4.50; annual subscription, $9.50 a year.

If your school library doesn't already have them, perhaps it could order them by calling **1-312-353-1880** or by writing to:

U.S. Department of Labor
Bureau of Labor Statistics
Publication Sales Center
P.O. Box 2145
Chicago, Illinois 60690

The publications are also available on or can be ordered on the Bureau of Labor Statistics Web site at **http://stats.bls.gov/opbhome.htm**
A free on-line search is available at **http://stats.bls.gov/ocohome.htm**

Students might also want to check the magazine section of the school library or public library for trade and professional magazines and journals that have articles about jobs and training in specific career areas.

⇨ *Is the career compatible with the student's aptitude and interests?*

A school can be very good but not meet a particular student's specific needs. The type of career a student wants will directly influence the type of postsecondary education he or she will need to pursue (a two-year program, four-year program, or a career/vocational program). Many colleges use admissions tests to measure a student's aptitude. The most familiar college admissions tests are the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT), the SAT, and the ACT. Students generally take these tests during their junior or senior years of high school.

⇨ *Does a school have a good reputation for educating and placing its students?*

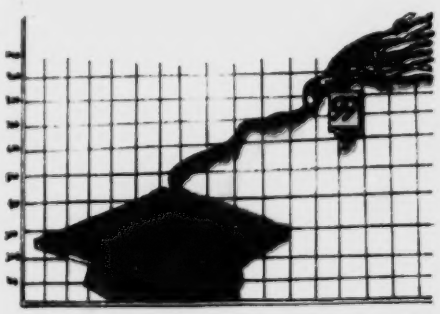
Students should check with the local Better Business Bureau, Chamber of Commerce, or consumer-protection division of their state attorney general's office to find out if problems have been reported at the schools they are considering. The Federal Student Aid Information Center (**1-800-4-FED-AID**) has the most recent default rates for schools, which can indicate the success of the schools' students; a high default rate may be a sign that a school's graduates are having difficulty finding good-paying jobs. In addition, a default rate greater than 20 percent may eventually jeopardize a school's eligibility to award federal loans and grants.

A student can also ask a school representative for the names of the school's accrediting and licensing organizations, which are able to provide information about the school. Prospective students have the right to ask for a copy of the documents describing a school's accreditation and licensing. If a school is accredited, an approved private educational agency or association has evaluated it and found it meets certain minimum requirements that the agency set. A student can also ask employers who hire in that field for their opinion of the school's program.

⇨ *How many of a school's students graduate and find employment in the career for which they trained?*

If a school advertises or tells prospective students that it has a successful job-placement program, it must be able to provide statistics, on request, that support that claim. Even if a school doesn't make job-placement claims, it doesn't hurt to ask the school about its graduation rate and job-placement rate. Students should find out if the program the school offers is necessary to get the type of job they want or if employers in that field provide on-the-job training. They should check with employers to see if the school has a good reputation.

In addition, if a school advertises its job-placement rates, it must also advise students of any applicable state licensing requirements for the specific jobs for which students are trained. Students should determine if the course topics for their programs relate to these state requirements or other professional certification requirements.



Students should also ask about a school's graduation rate. If a high number of students drop out, it could mean they weren't satisfied with the education they received. It's also a good idea for interested students to talk to recent graduates about a school's courses, average class size, instructors, the quality of facilities and equipment, and the earning potential for graduates. Also, if a school provides residence facilities, if possible students should inspect them.

Students should comparison-shop before signing an enrollment contract. If there are several schools offering a particular educational program in the area, a student should visit at least two of the schools before making a decision.

⇨ What are a school's administrative and academic policies?

For example, what is the school's refund policy? A school must provide this policy, in writing, to current and prospective students. The policy should explain what happens if a student registers for classes but never attends any or drops out of school within a short time after he or she starts. If the student receives any federal student aid and a refund is made, some or all of the money will be returned to the aid programs or to the lender for the loans. Even if students don't finish their educational programs, they must repay whatever loans they received, minus the amount that was refunded to the lender.

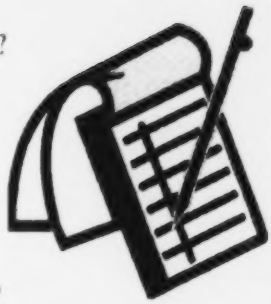
Students should find out about a school's academic policies, such as the requirements for graduation and maintaining eligibility for financial aid. These policies are often grouped together as a "satisfactory academic progress (SAP) policy."

⇨ What types of financial aid does a school offer?

Students should find out what types of financial aid are available at schools where they are interested in applying, including information on all federal, state, local, private, and school financial aid programs. A student should ask which financial aid programs are available for the educational programs he or she is interested in. Not all educational programs at a school may be eligible for all aid programs.

- ED uses specific legislative and regulatory criteria to determine whether a school and all of its educational programs are eligible for federal student aid programs.
- Just because a school participates in ED's student aid programs does not mean that ED has endorsed the quality of the education the school offers. ED does not approve a school's curriculum, policies, or administrative practices, except those relating to federal student aid programs.

Students should also ask:



- What federal student aid programs does the school participate in?
- How does the school select financial aid recipients?
- What are the school's application procedures and deadlines?
- How and when does the school deliver financial aid to its students?
- What are the interest rates and other terms of any student loans?
- What are the operating hours of the school's financial aid office?

It is up to the student to check out a school.

⇨ *What can be learned from a visit to a school?*

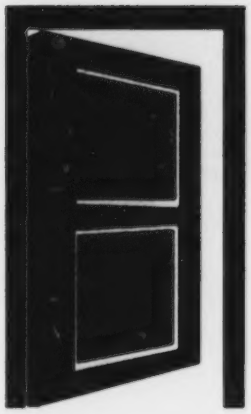
A good test of any school is how a student feels about it after a visit. Students should consider making an appointment to visit a school while classes are in session. This will give students a chance to attend classes and talk with other students in the program they are interested in.

An important point to consider: Do the people at the school seem to want to help students learn and plan for their futures? A student should decide whether the school is a place he or she wants to be at least five days a week for the next six months to several years.

OPPORTUNITIES FOR DISADVANTAGED STUDENTS

In recent years, increasing attention has been given to "at-risk" students—certain students who have the aptitude for postsecondary education but who tend not to continue their studies beyond high school or to drop out before completing high school.

Despite the significant amount of need-based aid available for high school students to continue their education, recent studies show that students and parents from low-income families are less likely to be informed about student financial aid than those from relatively well-off families. Clearly, the problem of access cannot be solved solely by making financial aid available to disadvantaged students. Rather, the solution depends on establishing goals and making choices long before the last year of high school.



An important school responsibility is to help students make the transition from secondary school to college or work. This handbook offers suggestions for addressing a critical problem—misinformation and lack of information about postsecondary options and financial aid.

Three myths about financial aid

1. **There isn't enough financial aid for students like me.**

   False. Many students and parents have the impression that the budget for the federal student aid programs has been severely reduced. In fact, funding for these programs has grown steadily. Federal student aid programs alone provided roughly $48.5 billion in grants, loans, and work-study assistance to more than 8.5 million people in 1998-99. While it's true that even this much aid cannot meet the full financial need of all students, students with the greatest financial need have the best chance of receiving assistance.

2. **Only students with good grades get financial aid.**

   False. Many students think that financial aid is awarded on the basis of grades. While a high grade point average is certainly desirable and will help a student get into a good school and succeed in college and may help with academic scholarships, most of the federal student aid programs do not take a student's grades into consideration. Provided a student maintains satisfactory academic progress in his or her program of study, federal student aid will help a student with an average academic record complete his or her education.

3. **You have to be a minority to get financial aid.**

   False. Funds from federal student aid programs are awarded on the basis of financial need. These funds are NOT awarded on the basis of race, creed, or gender. The FAFSA—the financial aid application for these programs—doesn't even collect this kind of information about an applicant.

A sample handout is available in **Appendix C** to give to students.

Realities about postsecondary education and financial aid

The truth about postsecondary education and financial aid is that both are possible for most students. School counselors can help get this message across by emphasizing the following points to students:

1. **Stay in school.**

   Promote the benefits of education, emphasizing the financial rewards. Studies show that a person with education beyond high school earns more money in his or her lifetime than someone with only a high school diploma. The economic realities of the job market for noncollege graduates or those with no technical training are dismal.

2. **Aid is available.**

   Encourage students to apply for aid—counselors can help to demystify the process by involving parents whenever possible. Although poor academic performance in high school and on standardized tests is generally the most serious obstacle to expanding access to college, financial aid can effectively reduce any economic barriers that exist. Federal, state, private, and school aid should all be explored.

3. **Not everyone goes to postsecondary school the same way.**

   Sometimes high school students assume that further schooling means four years of full-time study at a residential college. Not so. Today students can plan on a wide range of postsecondary options, including six-month programs at career schools and two-year degree programs at community and junior colleges within commuting distance, as well as the traditional four-year programs at colleges and universities. Part-time, full-time, evening, and day classes—the choices are many and varied.

Reaching "at-risk" students

Many high schools, postsecondary schools, private organizations, and government agencies have cooperated in developing early-intervention programs for students who otherwise might not go to college. The following list of suggestions is drawn from some of these programs. You can find out more about these early-intervention programs from the sources listed beginning on page 24.

Establish a timetable of age-sequenced activities.

Studies show that the earlier and more often at-risk students are reached, the better they understand the choices they can make. Fifth, sixth, seventh, eighth, and ninth graders are often forming career aspirations and need guidance in making decisions about high school courses. Tenth, eleventh, and twelfth graders should be—

- looking at the choices for postsecondary education,
- discussing their financial situation with parents and counselors,
- participating in pre-college summer programs, if available,
- taking the SAT or ACT,
- applying for aid, and
- selecting a school.

Note: Encourage all students to take the SAT or ACT and apply for federal financial aid, even if they do not plan to enroll in a college or vocational program immediately after high school.

Involve parents as well as students.

Parents need to understand not only college admissions requirements and the rudiments of student financial aid, but also the high school courses needed to pursue postsecondary options. Information on financial planning and how to gather and use information about postsecondary options is necessary for all parents, but it is most important for parents who have no postsecondary experience themselves. To reach working parents of "at-risk" students, arrange for evening or weekend information sessions at convenient locations, such as neighborhood centers and places of worship.

Establish a tutoring and/or mentoring program.

Setting up a tutoring and/or mentoring program in your school using local college students can be very valuable. An ED study identified more than 1,700 tutoring and mentoring programs operating in 921 colleges and universities involving partnerships with elementary and secondary schools. These projects have shown positive effects not only on the test scores, grades, and overall academic performance of the tutored students, but also on the students' self-esteem and self-confidence. The college or university participating in the tutoring/mentoring program may be able to pay its student tutors and mentors through the Federal Work-Study (FWS) Program.

Provide firsthand information.

There are many approaches to helping students visualize the idea of postsecondary education. Visiting an actual campus is probably the most effective way for students to get a feel for the college experience. However, there are numerous other methods of providing informative and motivational experiences, such as arranging attendance at college fairs or meetings with college admissions representatives, organizing parents for tours of campuses, and inviting recent college graduates to talk to students. Some schools now provide Web site and/or video tours that can be used by students who can't visit the campus. Students need to discuss the things that are keys to success in postsecondary education, such as planning to meet off-campus expenses and allowing enough time for studying. Students' fears and unrealistic expectations can be overwhelming, especially for those who are first-generation college students. So, it's also good for high school students to meet with first-generation college students who are making it or have made it through school.

Provide academic counseling.

The heart of early intervention is academic preparation and proper course selection. Studies show that many students who might be admitted to postsecondary schools are not taking courses at the high school level that would prepare them to do so. Students should be counseled, regardless of their postsecondary plans, to pursue a challenging program of study in high school. Even those students who don't go on to college or career training immediately after high school might change their minds later on. It's also a good idea for high school counselors to work with middle school counselors to ensure that students have the opportunity to take courses that will prepare them for postsecondary education. It's all part of helping students keep their options open.

Develop cooperative programs with local postsecondary schools.

In some areas, secondary schools and neighboring colleges encourage students to stay in school and plan ahead by offering them financial incentives. For instance, high school students in one locality are encouraged to sign a contract in which they promise to take certain preparatory courses, attend school regularly, and make good grades. A student who fulfills the contract doesn't have to pay tuition and fees at the local community college.

Early-intervention programs

If you do not already, it may be possible to participate in one of ED's TRIO programs. Established in 1965, the primary purpose of the TRIO programs is to prepare disadvantaged students for successful entry into, retention in, and completion of postsecondary education. Among the TRIO programs are:

- **Upward Bound**—prepares eligible students between the ages of 13 and 19 for college. Sponsored mainly by postsecondary institutions, the services provide remedial instruction, career awareness activities, postsecondary and financial aid counseling, and cultural activities.
- **Talent Search**—serves students between the ages of 11 and 27 who have completed the fifth grade and are potential first-generation college students. Talent Search projects may be sponsored by secondary schools, community-based organizations, and postsecondary institutions.
- **Student Support Services**—provides on-campus support programs for low-income, first-generation, or disabled students. The programs are sponsored by postsecondary institutions.

A wide range of private programs that guarantee college tuition have been established in recent years and may be available for your students. The U.S. General Accounting Office (GAO) identified four main types of programs in its 1990 report "Promising Practice: Private Programs Guaranteeing Student Aid for Higher Education":

- **Sponsorship programs**, begun either by individuals or organizations, promise tuition for postsecondary education to students who are successful during their kindergarten through high school years. The programs often target elementary school students and provide extensive support services throughout their school years.

- **"Last dollar" programs** help high school students apply for student aid and promise to make up the difference between the aid received and the cost of attendance.
- **University-based programs** often enroll students as early as middle school/ junior high school. These programs may guarantee students admission, tuition, and mentoring services.
- **"Pay for grades" programs** typically offer tuition reduction in exchange for high grades. These programs have not been as successful as the others, says GAO, because they offer few support services to students.

If you would like to order the GAO report, you may receive one free copy by calling **1-202-512-6000** and requesting document number PEMD-90-16. The GAO order fax number is **1-202-512-6061**. Its Web site can be accessed at **http://www.gao.gov**

Further information and publications

Here are some other information resources that are available.

- For information on the **TRIO Programs**, contact:

  TRIO Programs
  Higher Education Programs
  Office of Postsecondary Education
  U.S. Department of Education
  400 Maryland Avenue, SW
  Portals Building, Suite 600
  Washington, DC 20202-5249

  - The Web site is **http://www.ed.gov/offices/OPE/OHEP**
  - Another Web site for the TRIO Programs is sponsored by The Council for Opportunity in Education at **http://www.trioprograms.org**

- **Think College? Me? Now?** is a free handbook for students in middle school and junior high. Copies are available by calling **1-800-4-FED-AID** or on the Web at **http://www.ed.gov/pubs/CollegeMeNow**
  - The publication is part of the U.S. Department of Education's Think College Early campaign, which is accessible at **http://www.ed.gov/thinkcollege/early**

- **College is Possible** is a free brochure with information on preparing for college, choosing the right college, and paying for college by the Coalition of America's Colleges and Universities. It is available by calling **1-800-4-FED-AID**. Information also can be accessed at **http://CollegeIsPossible.org**

- **The National Association for College Admission Counseling (NACAC)** has a number of useful publications. Some of the publications are:

  - **Guide for Parents/Guía para los Padres**, a brochure for parents of upper elementary grade students and middle school students that addresses college admission and financial aid. Available in English or Spanish. Single copies are free. Contact NACAC for other pricing.

  - **Guide to the College Admission Process**, a booklet that details every step of the admission process for high school students. $6 for a single copy. Contact NACAC for other pricing.

  - **Parents and Counselors Together (PACT)** is designed especially for first-generation college students and to be used in parent workshops. Available in English or Spanish. $10 for NACAC members; $15 for nonmembers.

  Orders under $10 must be prepaid. Quantity discounts are available. To order any of NACAC's publications, call **1-703-836-2222** (8:30 a.m. to 4:30 p.m., Eastern Time) or write to:

  NACAC Publications/Media
  1631 Prince Street
  Alexandria, VA 22314-2818

  Or access NACAC's Web site at
  http://www.nacac.com

PART 2 The Application Process for Financial Aid

Federal law requires ED to ensure that students can apply for federal aid without paying a fee. To be considered for most of the federal student aid programs (such as Federal Pell Grants, Federal Direct Stafford Loans, and Federal Stafford Loans), a student must complete and submit the Free Application for Federal Student Aid (FAFSA). This application collects financial and other information used to calculate the Expected Family Contribution (EFC) that postsecondary schools use to determine the student's eligibility for aid.

FAFSA data are transmitted electronically to ED's Central Processing System (CPS) when a student completes an electronic application. When a student completes a paper application, FAFSA processors input the FAFSA data and send that data to the CPS. The CPS uses this information to calculate the EFC and produce an output document reporting that EFC. The student will receive an output document (either a Student Aid Report—SAR—or a SAR Information Acknowledgement) from the CPS within four to six weeks of submitting the FAFSA.

Schools listed in Step 5 of a student's FAFSA automatically receive the student's information from ED's central processor. The schools receive the processed FAFSA in electronic form, in what is known as the Institutional Student Information Record (ISIR). Only schools listed (or added later) by the student receive the student's ISIR. Any other school must receive a SAR directly from the student or be given permission (by the student) to request the student's information from the central processor.

For a student to receive federal student aid, the school must receive an output document—an ISIR, SAR, or SAR Information Acknowledgement.

ED's processing cycle for FAFSAs lasts 18 months. For the 1999-2000 award year, application processing begins January 1, 1999, and FAFSAs for that year will be accepted until June 30, 2000. Some schools have limited institutional-aid funds that are awarded on a "first-come, first-served" basis to eligible students. Because of this, it is important that students complete and submit the FAFSA as early as possible after January 1, 1999.

HOW TO APPLY

Students apply for federal student financial aid by completing the Free Application for Federal Student Aid (FAFSA), either electronically or on paper. Even if students are applying only for a federal loan, they must submit a FAFSA. To complete the FAFSA, students need copies of their income tax returns (and their parents' returns), W-2 forms, current bank statements, and records of any stocks, bonds, and other investments and assets.

A student does not have to pay a fee for submitting a FAFSA. To be considered for state or institutional aid, a student may be required to complete additional questions on a separate nonfederal form, and a fee may be charged for processing this additional information. Students should check with the schools to which they plan to apply and their state agencies to find out if aid applicants are required to submit additional data on nonfederal forms.

Students may apply for aid electronically through the FAFSA on the Web, FAFSA Express, or ED's Electronic Data Exchange (EDE), or they may submit a paper FAFSA. Note that all of these application methods are free.

A student needs to complete the FAFSA only once each year, in whichever form is most convenient. After the first year, a student may complete the shorter Renewal FAFSA.

Students can check on the processing status of their FAFSAs or any corrections they've made by calling **1-800-4-FED-AID** (1-800-433-3243), pressing Feature #1, and answering questions asked by an automated system.

Electronic application methods

FAFSA on the Web

FAFSA on the Web allows students to complete their FAFSA applications faster and easier than any other application method. This Internet application allows students to submit their FAFSA information directly to ED's Central Processing System (CPS). The CPS determines eligibility for financial aid and sends an Institutional Student Information Record (ISIR) to the listed schools within 72 hours after receiving a completed application. The address for FAFSA on the Web is **http://www.fafsa.ed.gov**

Note that to protect the student's private data, FAFSA on the Web requires the use of certain approved browsers; students can apply using any computer that supports an approved browser. The FAFSA on the Web site lists the currently approved browsers. Because many students and schools already have the appropriate browser, this method may be the easiest way for students to apply electronically.

FAFSA on the Web automatically edits applicant answers before transmission, resulting in better, more accurate information and fewer applications rejected by the CPS. In addition, FAFSA on the Web uses "skip logic," so that students are only asked questions that apply to them and skip those that don't. Built-in edits help students detect and correct any errors before submitting the data to the CPS. This feature significantly reduces the number of applications rejected by the CPS. (For comparison, 12 percent of paper FAFSAs are rejected, while less than a half percent of electronic submissions are rejected.)

Students may use a floppy disk to save their application information. For more information about FAFSA on the Web, or for technical assistance, students may call **1-800-801-0576 (TDD 1-800-511-5806)**.

To compete the process, a student prints, signs, and mails a signature page. (If the student doesn't print and mail a signature page, he or she will receive a rejected SAR in the mail. The student must sign this rejected SAR and return it to the FAFSA processor.)

Note: To verify that their FAFSA on the Web application was transmitted successfully, at **http://www.fafsa.ed.gov** students select the tab labeled "**Check My Submitted FAFSA**."

The CPS then processes the data and sends the school(s) an electronic report, the Institutional Student Information Record (ISIR); the student is sent a SAR.

FAFSA Express

FAFSA Express allows students to apply electronically using an IBM-compatible computer with a Windows operating system and a modem. Like FAFSA on the Web, the FAFSA Express program automatically edits applicant answers, resulting in better, more accurate information and fewer applications rejected by the CPS.

- ✔ Copies of the 1999-2000 FAFSA Express program are available in libraries, postsecondary schools, and high schools.
- ✔ The program can be ordered by calling **1-800-801-0576 (TDD 1-800-511-5806)**; technical assistance is also available at these numbers.
- ✔ Copies of FAFSA Express can also be downloaded from **http://www.ed.gov/offices/OPE/express.html**

Note: A student who files using FAFSA Express can save his or her data to a diskette (separate from the diskette containing the FAFSA Express program); the student will not be able to save personal data to the computer's hard drive.

To complete the process, a student prints, signs, and mails a signature page. (If the student does not print and mail a signature page, he or she will receive a rejected SAR in the mail. The student must sign this rejected SAR and return it to the FAFSA processor.)

The CPS then processes the data and sends the school(s) an electronic report, the ISIR; the student is sent a SAR.

Electronic Data Exchange (EDE)

Students also may file the FAFSA at a postsecondary school through ED's Electronic Data Exchange (EDE). To do so, a student completes a paper FAFSA and asks the school to enter the FAFSA information electronically. After reviewing the entered data, the school sends the information electronically to ED's CPS.

Note: Schools are not required to send student FAFSAs through EDE.

The CPS then processes the data and sends the school an electronic report, the ISIR; the student is sent a SAR Information Acknowledgement.

Paper application method

Students may complete an original paper copy of the FAFSA and submit it for processing using the accompanying envelope. Photocopies or faxes of the FAFSA will not be accepted. Students should keep a photocopy of the completed form for their own records.

BEFORE SUBMITTING AN INITIAL APPLICATION

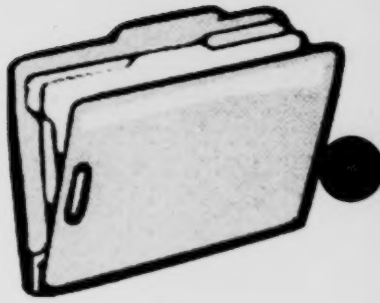
Students must complete the FAFSA accurately. If a student submits a paper FAFSA, the document must be legible and mailed to the address specified in the FAFSA in time for it to be received by the deadline. The same deadlines apply if the student is filing the FAFSA electronically. (See pages 40 and 41 for a complete list of deadlines.)

Please caution students that there are **NO EXCEPTIONS TO THE DEADLINES**.

It is important to note, however, that states and schools often set earlier deadlines in awarding aid from some programs, including the campus-based programs (Federal Perkins Loans, Federal Supplemental Educational Opportunity Grants, and Federal Work-Study); for information on these deadlines, the student should check with schools he or she is applying to. The student must also keep in mind that eligibility does not continue year to year, and a FAFSA or Renewal FAFSA needs to be filed each year.

BE SURE TO ADVISE STUDENTS TO READ THE FAFSA AND ITS NOTES CAREFULLY, particularly because most errors are caused by students making inaccurate assumptions about what information is being requested.

We cannot overemphasize how important it is that students read and follow the directions on the FAFSA to ensure that their applications are processed as quickly and accurately as possible. Oversights and careless errors on the application, such as providing incorrect Social Security numbers (SSNs), also cause processing delays. Such delays may cause students who are otherwise eligible to miss deadlines to qualify for aid.



It is also important for students to save all records and other materials used in completing the FAFSA (including photocopies of their completed FAFSAs) because they may need them later if either ED or their schools select them for a process called "verification" (see page 37). This means that the students will have to prove that what was reported on the aid application is correct.

A student may not submit a 1999-2000 FAFSA for processing before January 1, 1999 or after June 30, 2000. Applications signed or sent before or after these dates will be returned to the student unprocessed with a letter explaining why the application was not processed.

HOW THE APPLICATION IS PROCESSED

The CPS analyzes the information from the FAFSA and calculates an EFC to determine how much a student and his or her parents can be expected to pay toward the student's postsecondary education. As discussed in Part 1, the EFC measures the family's financial strength on the basis of the income and assets of the student and the student's parents or, if the student is married, the student's spouse. The EFC formula also takes into account the family's expenses as they relate to the number of people in the household and how many of them will be attending college during the award year.

If the student's EFC is less than the cost of attendance, a student is considered to have financial need. A student with a zero EFC—meaning the family can contribute no money—may receive the maximum Federal Pell Grant award, depending on the student's cost of attendance and enrollment status. The higher the EFC—the more the family can contribute—the less the student's need. If the student's EFC is above a maximum number determined each award year by Congress, the student will not receive a Federal Pell Grant. (Please see Part 1, "Demonstrating Need.")

The CPS uses a series of edits to check the consistency of FAFSA information. For instance, it would be inconsistent for the dependent student of a single parent to report income earned from work for two parents. If the FAFSA data are inconsistent, the CPS may be unable to calculate the EFC or may calculate an EFC based on assumptions. If assumptions have been used, they are indicated on the student's SAR or SAR Information Acknowledgement; the student must make sure the assumptions are correct. The SAR and SAR Information Acknowledgement instruct the student about how to make corrections.

If the student submits a second FAFSA for the same academic year, the CPS does not reprocess the data from the second FAFSA. The only information that may change as a result of filing a second FAFSA is the student's address and the schools the student lists. The student should consult the financial aid office before filing more than one FAFSA for the same academic year.

Data matches

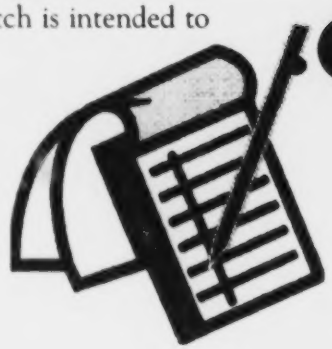
In addition to checking the FAFSA data against predetermined edits, the CPS also performs several database matches. If discrepancies arise, the student's records are flagged and the student may not be eligible to receive federal aid unless the discrepancy is resolved. Resolving such a discrepancy usually requires the student to submit additional documentation to the school where he or she is applying. The SAR and SAR Information Acknowledgement instruct the student on what to do.

Social Security Administration matches

The CPS matches FAFSA data against Social Security Administration (SSA) records to check the validity of a student's Social Security number (SSN). If the SSN is invalid or is not in the database, the student will receive a rejected SAR, and a comment will appear instructing him or her to review the SSN. The student will also receive a comment if the SSN is a valid number but the name and/or date of birth reported on the FAFSA don't match the SSA's records. In either case, the student must resolve the SSN discrepancy before he or she can receive federal aid. This may be done by correcting the SSN or providing documentation that the SSN is correct.

If the student indicates on the FAFSA that he or she is a U.S. citizen, ED also conducts a match with the Social Security Administration to verify U.S. citizenship status. The results of the citizenship match are printed on the student's SAR or SAR Information Acknowledgement. When a student's reported data conflict with the Social Security Administration's database—or when no citizenship match can be performed—the SAR or SAR Information Acknowledgement will indicate that there is a conflict. The student must then provide the school with documentation substantiating his or her citizenship claim.

Beginning in May 1999, the database match will be expanded to check whether the SSA has a date of death listed for the person with that SSN. The match is intended to detect when someone might be fraudulently attempting to receive federal financial aid.



Also beginning in May 1999, there will be a database match with the SSA's Prisoner's File. Students incarcerated in federal and state prisons are ineligible for Federal Pell Grants, Direct Loans, and FFEL Loans. (They might be eligible for state funds.)

Immigration and Naturalization Service (INS) match

The CPS also matches FAFSA records against citizenship records maintained by the U.S. Immigration and Naturalization Service (INS). If the student reports on the FAFSA that he or she is an eligible noncitizen (and, therefore, could be eligible for federal student aid) and reports an Alien Registration Number, that information will be checked against the database maintained by the INS. If the match does not confirm the student is an eligible noncitizen, he or she will receive a comment on the SAR or SAR Information Acknowledgement. A student is not eligible for aid until his or her status as an eligible noncitizen is resolved.

National Student Loan Data System (NSLDS) matches

The CPS also matches FAFSA data with the National Student Loan Data System (NSLDS), which identifies students who have defaulted on any Federal Perkins Loans, Direct Loans, or FFEL Loans. If a student is found to be in default and has not made satisfactory arrangements to repay, he or she will receive a comment on the SAR or SAR Information Acknowledgement. A student is not eligible for aid until the default status is resolved.

Other matches

The CPS also performs matches against:

- drug-abuse conviction records maintained by the U.S. Department of Justice,
- registration status information maintained by the Selective Service, and
- veteran status maintained by the U.S. Department of Veterans Affairs (for students who say they are independent on the basis of their veteran's status).

Reviewing the Student Aid Report (SAR) and SAR Information Acknowledgement

Students who apply using FAFSA on the Web, FAFSA Express, or a paper FAFSA will receive a SAR within four to six weeks of filing. Students who transmit electronic applications or corrections through their schools using ED's Electronic Data Exchange (EDE) will receive a SAR Information Acknowledgement.

The student does not need to take or send the SAR or SAR Information Acknowledgement to a school that already received the student's EFC and FAFSA information electronically in the form of an ISIR. If a student is interested in having a school that he or she did not list on the FAFSA receive an ISIR, the student can call the Federal Student Aid Information Center at **1-319-337-5665** to add that school to the list. The student can also give that school a photocopy of the SAR or SAR Information Acknowledgement, or the school can request an ISIR with the permission of the student.

Students can request duplicate copies of their SARs by phone.

- Using a touch tone phone, a student calls **1-800-4-FED-AID** (1-800-433-3243), presses Feature #1, and answers questions asked by an automated system.

Student Aid Report (SAR)

The SAR comes in two parts, designed so that the item numbers on the SAR correspond to the numbered questions on the FAFSA. Students can make necessary changes and make corrections directly on Part 2 of the SAR.

Part 1 — Information Summary

Part 1 of the SAR is the **Information Summary**, which serves as an eligibility letter to the student. The student's data release number (DRN), formerly called the "PIN" number, appears at the top of all pages of the SAR. (The student might need the DRN if he or she decides to apply to additional schools.) Unless the student's SAR has been rejected, the EFC is printed on the front at the upper right, along with an explanation of the calculation and instructions for the student. A summary of the student's information is printed on the back of Part 1. Part 1 also contains a page of summary data from the National Student Loan Data System (NSLDS). If the student has not had any previous federal student loans, this page will be blank.

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Part 2 — Information Review Form/Information Request Form

Part 2 of the SAR is the **Information Review Form** or **Information Request Form**. A student will receive an Information Review Form, unless the student receives a rejected SAR. If a student receives a rejected SAR, Part 2 will be an Information Request Form. A rejected SAR does not include an EFC calculation. Rejected SARs are sent when applications have inconsistent data or insufficient data to calculate an EFC. Students may also receive rejected SARs if there are other problems, such as a missing signature page for an electronic application.

The student uses the **Information Review Form** or **Information Request Form** to make corrections, if necessary, and to update certain items if they have changed since the FAFSA was completed and submitted.

- Part 2 has an expanded listing of the student's information under the "YOU TOLD US" column, with space, if needed, for the student to correct the information under the column headed "WRITE IN ONLY NEW OR CORRECTED INFORMATION."
- Data elements questioned by the CPS are highlighted in bold type in Part 2.

If the student makes any changes using the Information Review Form or Information Request Form, he or she must return the SAR for reprocessing. For schools that participate in EDE, financial aid administrators can make the changes electronically.

SAR Information Acknowledgement

Students who apply through a school using EDE receive a noncorrectable SAR Information Acknowledgement from the CPS. This acknowledgement consists only of Part 1 and allows the student to review the processed information and results. This document may not be used to submit changed or corrected data. If changes or corrections are needed, they must be made through EDE at the school, or students may request a duplicate paper SAR to make a correction.

Verification

The effectiveness of the federal student financial aid programs depends, in large part, on the accuracy of the data reported by students. It directly affects the eligibility of millions of applicants for these programs. Because of this, schools must verify information provided by students selected by the CPS, following procedures established by federal regulations. The CPS prints an asterisk next to the EFC on the SAR or SAR Information Acknowledgement to identify students who have been selected for verification. (A code is also provided on the ISIR sent to schools.) If the student is selected for verification, a school's financial aid administrator must check the information the student reported on the FAFSA, usually by requesting a copy of signed tax returns filed by the student and, if applicable, the student's parent(s) or spouse. Many schools also select applications themselves to be verified in addition to those selected by the CPS.

Making changes

As previously stated, students can make corrections using Part 2 of the SAR or can have the school transmit corrections electronically through EDE.

Please note that even if the student did not originally apply through EDE, a school may still be able to make the corrections electronically if the student takes the corrected information to the school.

There are situations where the student will have to change information that was reported on the application. This consists of correcting errors or updating certain information.

Corrections and Updating

When a student files a FAFSA, it creates a "snapshot" of the financial situation of the student's family as of the date the application was completed. Errors may occur, however, because the student filled in the wrong information on the FAFSA. A student should use Part 2 of the SAR or the EDE system to correct application errors.

- For example, a student realizes that she has reported her parents' total income as $23,000 rather than the requested Adjusted Gross Income (AGI) of $20,000.

The student can either correct Part 2 of her SAR and mail it back to the CPS, or she can ask the school to submit the correction electronically. A new SAR or SAR Information Acknowledgement will be sent to the student and the same corrections will be sent to the school on an ISIR.

The student is not allowed to update income or asset information on the SAR to reflect changes to her family's financial situation that took place after the FAFSA was filed. For example, if the same student's family spent some of their savings after filing the FAFSA, the student may not update her information to show a change in the family's assets. However, there are three items that the student **must** update:

- a change in dependency status (other than one resulting from a change in marital status),
- a change in the number of family members in the household (if the student is selected for verification), and
- a change in the number of family members enrolled in postsecondary schools (if the student is selected for verification).

The student should speak to the school's financial aid office directly if there will be a significant change in the family's income for the present year or other changes which cannot be reported on the SAR.

Dependency Status and Overrides

Most students entering a postsecondary school straight from high school are considered financially dependent on their parents. This means their parents have to provide information on the FAFSA (see Part 3 of this Handbook). In unusual circumstances, a student who would normally be considered dependent can be considered independent. The financial aid administrator at a school can make a special determination of independence and override the student's dependency status on the FAFSA. Students who believe that they have compelling and unique reasons to be considered independent should contact the financial aid office at the school they are planning to attend. Students should not attach any additional documents regarding dependency overrides to their FAFSA application when sending it to the CPS.

Adding a school

If a student wants to have his or her FAFSA information sent to an additional school after filing the FAFSA, the student may use the SAR to add the new school. The student also can call the Federal Student Aid Information Center at **1-319-337-5665** to request changes to his or her address or to the schools that receive the student's ISIR. The student will need to provide his or her DRN from the SAR or SAR Information Acknowledgement. A school can also request an ISIR with the permission of the student.

Remember that the student cannot use the SAR Information Acknowledgement to make any changes, corrections, or add a school.

Also, note that no more than six schools may receive the student's ISIR. When new schools are chosen to receive the ISIR, a corresponding number of schools will no longer receive updated ISIR information.

TIPS ABOUT THE APPLICATION PROCESS

To file the FAFSA for the first time in an award year, using a dependency override...a financial aid administrator must authorize the override on the FAFSA

If it appears that the applicant should be considered an independent student because of special circumstances, a financial aid administrator has the authority to approve a dependency override on the FAFSA before submitting it for initial processing in an award year.

To override a student's dependency status after the FAFSA has been filed...a financial aid administrator must authorize the override on the SAR or through EDE

If an applicant has already filed the FAFSA and a financial aid administrator determines that he or she should be considered an independent student because of special circumstances, the administrator may override the dependency status on the SAR or through EDE.

To correct application information...use Part 2 of the SAR or EDE

If the applicant discovers errors on the SAR or SAR Information Acknowledgement, he or she may correct those errors on Part 2 of the SAR and return it to the FAFSA processor that printed the SAR. Corrections also can be made electronically through a postsecondary school using EDE. The information on the SAR may only be corrected to what was accurate on the date the application was signed.

Only certain items may be updated: dependency status, household size, or number in postsecondary education

A student must update dependency status if that information changes during the school year, unless the change was the result of a change in the student's marital status. This information may be updated by using Part 2 of the SAR or through the school using EDE. If the student's application is selected for verification, household size and number in postsecondary education must be updated. Students not selected for verification cannot update these items.

If the family has special circumstances...a financial aid administrator may make individual adjustments

If a financial aid administrator believes that the family's circumstances warrant a change in the way the student's need is analyzed, the aid administrator may use professional judgment to adjust the student's cost of attendance or data elements on which the student's EFC is calculated.

1999-2000 FAFSA DEADLINES

A 1999-2000 FAFSA or a Renewal FAFSA (paper or electronic) must be received by the application processor

- no earlier than

  ⇨ ***January 1, 1999,***

- and no later than

  ⇨ ***June 30, 2000.***

The front page of the FAFSA provides the state deadlines for state aid. Schools may have their own deadlines for campus-based and school financial aid.

Other important deadlines

Here are some other important deadlines for the 1999-2000 application cycle for students and schools.

- If a student needs to make SAR corrections, the SAR must be received by the application processor no later than

  ⇨ ***August 16, 2000.***

- A student may request a duplicate SAR by telephone or in writing through

  ⇨ ***August 16, 2000.***

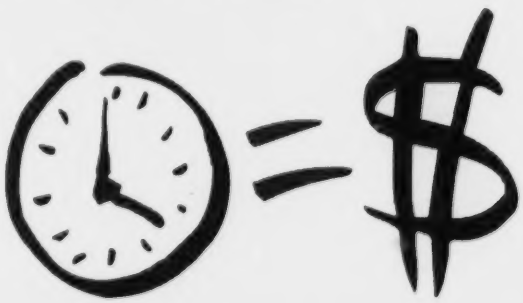
- To establish a student's eligibility for a Federal Pell Grant, a school must receive a SAR, SAR Information Acknowledgement, or ISIR for the student while the student is still enrolled for that award year, but no later than

  ⇨ ***August 31, 2000.***

  (A school may, if it wishes, set an earlier deadline for students to submit paperwork for initial applications or for changes to be made through EDE.)

- A student whose application information is being verified may be given up to 60 days after his or her last day of enrollment in which the school may still receive a SAR, SAR Information Acknowledgement, or ISIR. However, the verification extension cannot continue beyond

  ⇨ ***August 31, 2000.***



PART 3 Completing the Free Application for Federal Student Aid (FAFSA)

As mentioned in Part 2 of this handbook, if a student wishes to receive federally funded student financial aid to attend a postsecondary school, he or she must complete the Free Application for Federal Student Aid (FAFSA). Many states and schools also rely on the FAFSA to distribute their student aid funds.

A student does not have to pay to have the FAFSA processed. ED uses the information collected on the FAFSA to calculate the Expected Family Contribution (EFC). The EFC is used to determine what a family can pay toward postsecondary education and, in turn, a student's financial aid eligibility.

ED redesigned the FAFSA for the 1999-2000 school year, simplifying the form by reducing the number of questions students and their families have to fill out. In addition, where an applicant might have questions, notes within the FAFSA explain specific terms and definitions and direct how questions are to be answered. For additional help on completing the FAFSA, go to ED's Web site at **http://www.ed.gov/prog_info/SFA/FAFSA**

A student can complete (and submit) the FAFSA electronically through FAFSA on the Web or FAFSA Express.

- For FAFSA on the Web, go to ED's Web site at **http://www.fafsa.ed.gov**
- For FAFSA Express go to **http://www.ed.gov/offices/OPE/express.html**
- A student also can submit the FAFSA electronically by asking the school to transmit the information through ED's Electronic Data Exchange (EDE). (Schools are not required to do so.)

A student can also complete a paper FAFSA and mail it to ED's processor:

Federal Student Aid Programs
P.O. Box 4008
Mt. Vernon, IL 62864-8608

A black-and-white copy of the 1999-2000 paper FAFSA appears at the end of this section. Comments to improve the FAFSA may be sent to:

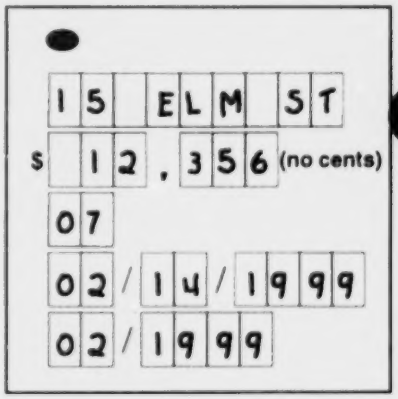
U.S. Department of Education
FAFSA Coordinator
Application and Pell Processing System Division
Room 4621
Washington, DC 20202-4651

POINTERS FOR COMPLETING THE FAFSA

The FAFSA for 1999-2000 is white, yellow, and purple. Yellow sections are for students to complete; purple sections are for parents to complete.

The answers on the paper-version FAFSA are read by machine. To complete the paper version, a student must:

- use black ink or a No. 2 pencil;
- fill in each answer oval completely;
- print clearly in CAPITAL letters and skip a box between words;
- report dollar amounts without cents;
- write numbers less than ten with a zero (for example, write the number seven as 07), and
- report dates as numbers in the boxes provided (such as 02/14/1999 for February 14, 1999 or 02/1999 for February 1999).



The following description of the FAFSA is mapped to the paper version of the application. This information should help counselors answer questions that students and parents might have about the FAFSA.

Note: The electronic versions of the FAFSA, FAFSA on the Web and FAFSA Express, are programmed to help students and their parents complete the form completely and correctly. The information collected on the electronic versions is the same as the paper version, but may appear in a different order.

STEP ONE (Questions 1-52)

Questions 1-17

Purpose: Questions 1-17 collect information used to track and identify a student (name, telephone number, address, Social Security number, and so on) as well as other information that affects a student's basic eligibility for federal student aid. For instance, there is a question about citizenship because a student must be a U.S. citizen (or eligible noncitizen) to receive federal student aid.

Note: In this section, if a question does not apply, the student should leave it blank.

- **Questions 1-3** ask for a student's name. The name, along with other identifying information, is used for several data matches. Because the U.S. Department of Education (ED) matches the student's name and Social Security number with the Social Security Administration, the name here should match the name on the student's Social Security card. Otherwise, the student may be told there was an inconsistency during processing, and other data match results may be off.
- **Questions 4-7** ask for the student's permanent mailing address. The student generally must give a permanent home mailing address (not a school or office address).
  - *Exception:* An incarcerated student must use his or her school's administrative address and include with the FAFSA a letter from the school indicating that he or she is incarcerated and, because of this, is using the school's address.
- **Question 8** asks for the student's Social Security number (SSN). A student must have an SSN to apply for federal financial aid. If the student submits a FAFSA without an SSN, the FAFSA will be returned to the student unprocessed. To get an SSN, or to determine what it is if a student's Social Security card has been lost, the student must contact the local Social Security office. For additional information (in English and Spanish), call the Social Security Administration at **1-800-772-1213**.
  - *Exception:* A student from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau is not required to have an SSN. He or she should submit the FAFSA to the following address, not to the address printed on the FAFSA envelope:

    Federal Student Aid Programs
    P.O. Box 4010
    Mt. Vernon, IL 62864-8610

- **Question 14**, which asks about U.S. citizenship and eligible noncitizenship, is the first question on the FAFSA to refer to a reference note. The FAFSA defines an "eligible noncitizen" as someone who is:
  - a U.S. permanent resident with an Alien Registration Receipt Card (I-151 or I-551),
  - a conditional permanent resident (I-151C), or
  - an eligible noncitizen with an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing a designation of refugee, asylum granted, indefinite parole, humanitarian parole, or Cuban-Haitian entrant.

Note: Anyone who isn't a citizen or an eligible noncitizen is ineligible for federal student aid. However, he or she may be eligible for state or school aid and, therefore, should complete the FAFSA since many states and schools use it to award their own student aid funds.

- **Questions 16 and 17** ask about the student's marital status "as of today" (the day the application is completed). Because of the way a student's income and assets are treated in the Expected Family Contribution calculation, marital status cannot be projected—the student must report his or her marital status as of the date the application is completed.

Questions 18-37

Purpose: Questions 18-37 collect information on the student's college enrollment plans for the 1999-2000 award year, intended course of study, and preference for types of federal student financial aid. Information on the amount of any veterans' education benefits the student expects to receive is also collected in this section.

Note: **In this section, if a question doesn't apply, the student should leave it blank.**

- **Questions 23 and 24** ask for the highest level of school completed by the student's father and mother. Some state agencies use the information to award grants and scholarships. "Father" and "mother" in these questions mean the student's birth parents or adoptive parents, but not stepparents or foster parents. Note that this definition of parents is unique to this question.

- **Questions 25-27** ask for the student's state and date of legal residence. This information is used in the Expected Family Contribution calculation to determine the appropriate allowance for state and other taxes paid by that state's residents. It also indicates which state agency should receive the student's FAFSA information. (Many state agencies use the FAFSA to award state-based student aid.)
- **Question 31** asks for the student's grade level at the beginning of the 1999-2000 school year. This question helps establish how much money the student may borrow under federal loan limits.
- **Question 33** asks whether the student will have a first bachelor's degree before July 1, 1999 because eligibility for Federal Pell Grants and FSEOGs is restricted to students who have not yet received bachelor's degrees.
- **Questions 34 and 35** ask the student to indicate what types of aid, in addition to grants, he or she is interested in receiving. If a student isn't sure about wanting loans or "work-study," he or she should answer "Yes." That way the student will be considered for all types of aid that are available; at a later date, the student can decline any aid awarded he or she does not want.
- **Questions 36 and 37** ask about the student's veterans' education benefits and for how many months they will be received. If students receive veterans' education benefits, they must report the amount of monthly benefits they expect to receive during the school year (from July 1, 1999 through June 30, 2000). Benefits include a range of assistance that the U.S. Department of Veterans Affairs offers, such as the Montgomery GI Bill benefits and other benefits described in Part 1.

Veterans' education benefits are not used in the EFC calculation. Instead, the law requires that education benefits offered by the U.S. Department of Veterans Affairs be treated:

- as a resource when determining the student's eligibility for campus-based financial aid programs, and
- as estimated financial assistance when determining the student's eligibility for need-based Direct Loans or FFEL Loans.

This means that schools use veterans' benefits when packaging aid.

Questions 38-52

Purpose: Questions 38-52 collect the student's (and spouse's) income and asset information. (The FAFSA collects parents' income and asset information in Step Four.) This information is used to calculate the student's (and spouse's) portion of the EFC. The questions about income collect information on base-year income, as well as income tax paid, tax-filing status, and the number of exemptions claimed. The base year for applicants for 1999-2000 is the 1998 tax year. Questions give line references to the 1998 IRS tax forms. The questions about assets ask for savings and net worth of investments and businesses.

Note: In this section, students are directed to enter 0 if the answer to a question is zero or the question does not apply.

- **Questions 38-40** ask the student if he or she has filed a 1998 tax return yet, which income tax return was filed or will be filed, and whether the student was eligible to file a 1040A or 1040EZ. ED's Central Processing System (CPS) uses this information to identify who is eligible for the simplified needs test.
- **Questions 41-46** ask the student for income information reported on his or her tax returns. Each question gives the line reference to the 1998 IRS tax forms. ED recommends, but does not require, that a student file the IRS tax forms before completing the FAFSA. If the student files a foreign tax return, the student should report the value of the foreign income and taxes paid in U.S. dollars, using the exchange rate in effect at the time he or she completes the FAFSA. If the student files a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, the student should report the information as stated on these returns.
- **Questions 47 and 48** collect information about the student's untaxed income, untaxed benefits, and tax credits. To provide this information, the student completes the columns on the left side of Worksheet A and Worksheet B. (Copies of the worksheets are on page 62 of this handbook.) It is important to review the items on these worksheets carefully, even if the student may have just a few of these items to report. These worksheets are not submitted to ED. Instead, the student enters the totals for the worksheets in Questions 47 and 48.
- **Questions 49-52** ask the student for information about cash, savings, and checking accounts, as well as net worth of investments, net worth of business, and net worth of investment farm. The net worth of investments is equal to investment value minus investment debt, and the net worth of business is equal to business value minus business debt. The FAFSA includes notes that define these terms.

The CPS will automatically calculate a simplified EFC for a student who meets certain income and tax filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not used in the EFC calculation. Students (and parents) do not complete separate worksheets.

- **Question 52** tells the student that an investment farm does not include a farm that the student lives on and operates.

STEP TWO (Questions 53-58)

Questions 53-58

Purpose: The questions in this step determine whether a student is a dependent student or an independent student for purposes of calculating an Expected Family Contribution (EFC) to the student's postsecondary education. Even if the student has unusual circumstances, this section must be answered. A school's financial aid administrator has the authority to override a student's dependency status on the initial application or by correcting the Student Aid Report (SAR) if he or she decides that the student should be considered an independent student.

Note: In this section, the student must answer either "Yes" or "No" to each question.

- **Questions 53-58** ask the student whether he or she meets any of six criteria:
  - Were you born before January 1, 1976?
  - Will you be working on a degree beyond a bachelor's degree in school year 1999-2000?
  - As of today, are you married?
  - Are you an orphan or ward of the court or were you a ward of the court until age 18?
  - Are you a veteran of the U.S. Armed Forces?

    (The FAFSA explains who is a veteran and who is not a veteran. A "veteran of the U.S. Armed Forces" is someone who was engaged in active service in the Army, Navy, Air Force, Marines, or Coast Guard and did not receive a dishonorable discharge. Someone who was a cadet or midshipman in one of the service academies is also a veteran if he or she did not receive a dishonorable discharge. A veteran is not someone who has not served in the

U.S. Armed Forces or is an ROTC student, is a cadet or midshipman in a service academy, or is a National Guard or Reserves enlistee who has never been activated for duty.)

- Note: If a student answers "Yes" to being a veteran, the name is submitted for a database match with U.S. Department of Veterans Affairs.

  - ✧ Do you (1) have children who receive more than half their support from you or (2) dependents (other than your children or spouse) who live with you and receive more than half of their support from you, now and through June 30, 2000?

Note: If the student answers "Yes" to any one of these questions, he or she is classified as an independent student, even if the student is still living with his or her parents.

A student answering "Yes" to any question in Step Two goes to Step Three. A student answering "No" to every question here skips Step Three and goes to Step Four.

STEP THREE (Questions 59 and 60)

Questions 59 and 60

Purpose: Questions 59 and 60 collect information about independent students. Only students who answered "Yes" to one or more questions in Step Two complete this step.

- ✦ **Question 59** collects information on how many people are in the student's household. The FAFSA defines household members as:
  - ✧ the student (and spouse),
  - ✧ the student's children, if the student provides more than half of their support,
  - ✧ the student's unborn child, if that child will be born before or during the award year and the applicant's household will provide more than half of the child's support, and
  - ✧ other people currently living with the student, if the student provides more than half of their support and will continue to provide more than half of their support from July 1, 1999 through June 30, 2000.

- **Question 60** asks who in the student's household will be students in a program that leads to a college degree or certificate between July 1, 1999 and June 30, 2000. The FAFSA tells the student to count himself or herself, even if he or she is attending college less than half time in 1999-2000. However, the student may only include others in the household if they will attend at least half time in 1999-2000.

A student who completes Step Three skips the next step and goes directly to Step Five.

STEP FOUR (Questions 61-82)

Income and Asset Information

Purpose: Questions 61-75 collect the student's parents' income and asset information to calculate the parents' portion of the EFC to the student's postsecondary education. The questions ask about income, taxes paid, tax filing status, and the number of exemptions claimed. The questions about assets ask for savings and net worth of investments and businesses.

Note: A portion—and only a portion—of the parents' income and assets is included in the EFC as being available for the student's educational costs.

Before completing these questions, the student should read the notes on page 7 of the FAFSA that explain who is considered a parent. The term "parent" is not restricted to biological parents. There are several instances in which a person other than the student's biological parent is treated as the student's parent.

- If the student's parents are both living and married to each other, the student answers the questions about them. (The student will be providing information about two people.)
- If the student's parent is widowed or single, the student answers the question about that parent. (The student will be providing information about one person.) If the widowed parent has remarried as of the day the FAFSA is completed, the student answers the questions about that parent and the person whom that parent married. (The student will be providing information about two people.)

- If the student's parents are divorced or separated, the student answers the question about the parent he or she lived with most during the past 12 months. If the student did not live with one parent more than the other, he or she answers in terms of the parent who provided the most financial support during the past 12 months or during the most recent year that the student actually was supported by a parent. (The student will be providing information about one person.) If this parent has remarried as of the day the FAFSA is completed, the student answers the questions on the rest of the form about that parent and the person whom that parent married. (The student will be providing information about two people.)
- Some students might have additional questions. The following information may help answer them.
  - ***Legal guardians:*** Legal guardians are not considered to be a student's parents.
  - ***Foster parents:*** Foster parents are not considered to be a student's parents.
  - ***Grandparents (or aunts or uncles):*** If a student is living with his or her grandparents (or other non-parent relatives), they are not considered to be the student's parents unless they have adopted the student.
  - ***Common-law marriage:*** If a student's parents are living together and are not married but meet the criteria in their state for a common-law marriage, the parents should be reported as married. If the state does not consider the situation to be a common-law marriage, then the parent information should be filled out as if they are separated.

Note: If the student's last surviving parent dies after the FAFSA has been filed, the student updates his or her parental information using the methods described in Part 2 of this handbook for correcting information.

Questions 61-71

Purpose: Questions 61-71 collect information on the base-year income of the parents, as well as income tax paid, tax-filing status, and the number of exemptions claimed. The base year for applicants for 1999-2000 is the 1998 tax year. Questions give line references to the 1998 IRS tax forms.

Note: If the answer to a question is zero or the question does not apply, the FAFSA tells the student to enter 0.

- **Questions 61-63** ask if the student's parents have filed a 1998 tax return yet, which income tax return was filed or will be filed, and whether the parents were eligible to file a 1040A or 1040EZ. ED's Central Processing System (CPS) uses this information to identify who is eligible for the simplified needs test.
- **Questions 64-69** ask the student (or his or her parents) to enter income information that his or her parents reported on their tax returns. Each question gives the line reference to the 1998 IRS tax forms. ED recommends, but does not require, that parents file IRS tax forms before completing the FAFSA. If the parents file a foreign tax return, the student should report the value of the parents' foreign income in U.S. dollars, using the exchange rate in effect at the time the student completes the FAFSA. If the parents file a tax return with Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, the student should report his or her parents' information as stated on these returns.
- **Questions 70-71** collect information about the parents' untaxed income, untaxed benefits, and tax credits. The parents' information goes into the columns on the right side of Worksheet A and Worksheet B. (Copies of the worksheets are on page 62 of this handbook.) It is important to review the items on these worksheets carefully, even if the parents may have just a few of these items to report. These worksheets are not submitted to ED. Instead, the totals from the worksheets are entered into Questions 70 and 71.

Questions 72-75

Purpose: Questions 72-75 collect information to determine if a family's assets are substantial enough to support a contribution toward a student's postsecondary education costs. Questions 73-75 deal with net worth, investments, investment values, investment debts, business values, and business debts.

Note that the family's principal place of residence is not reported as an asset.

The CPS will automatically calculate a simplified EFC for a student who meets certain income and tax filing requirements. When an applicant meets the requirements for a simplified needs test, family assets are not used in the EFC calculation. Students (and parents) do not complete separate worksheets.

Note: If the answer to a question is zero or the question does not apply, the FAFSA tells the student to enter 0.

- **Questions 73 and 74** state that net worth of investments is equal to investment value minus investment debt and net worth of business is equal to business value minus business debt. The FAFSA includes notes that define these terms.
- **Question 75** states that an investment farm does not include a farm that the parents live on and operate.

Questions 76-82

Purpose: Questions 76-82 collect information about the student's parents and their household, such as household size, number in college, marital status, age, and state of legal residence.

- **Question 77** collects information on how many people are in the parents' household. The FAFSA defines household members as:
  - the student and the student's parents,
  - the parents' other children, if the parents provide more than half of their support and the other children would be considered dependent if they were applying for federal student aid,
  - the parents' unborn child if that child is born before or during the award year, and
  - other people currently living with the student's parents, if the parents provide more than half of their support and will continue to provide more than half of their support from July 1, 1999 through June 30, 2000.
- **Question 78** asks who in the parents' household will be college students in a program that leads to a college degree or certificate between July 1, 1999 and June 30, 2000. The FAFSA notes say to count the student, even if he or she is attending college less than half time in 1999-2000. However, others in the parents' household may be included only if they will attend at least half time in 1999-2000.

STEP FIVE (Questions 83-94)

Questions 83-94

Purpose: These questions collect information about which postsecondary schools the student is interested in attending. The student can list up to six schools, and ED will send the student's information to each school listed. For each school, the student indicates whether he or she expects to live on campus, off campus, or with parent(s), because housing costs are part of the cost of attendance to be determined by the school and, therefore, affect the amount of financial aid that students can receive.

If the student wants information sent to more than six schools, the student adds schools after the FAFSA is processed and the student receives a SAR or SAR Information Acknowledgement. Part 2 of this handbook describes how a student can add or change schools on the list.

Note: ED's central processor will send data to no more than six schools at a time for one student. For example, if a student originally listed six schools on the application and then replaced all six with new schools, only the second six schools would get the data.

For a college to receive a student's data, the student must list the college's federal school code (previously known as the Title IV institution code) or enter the college's complete name, address, city, and state. School codes are not provided in the FAFSA; they are in a separate publication, the "Federal School Code List." ED sends this list to high schools, colleges, and public libraries each fall around the same time the FAFSAs are distributed. ED also makes the federal school codes available through the Internet at:

- **http://www.ed.gov/studentaid**

  OR

- **http://www.ed.gov** (clicking "Title IV School Code" takes a user to the code search).

FAFSA on the Web has a list of federal school codes.

STEP SIX (Questions 95-99)

Questions 95-99

Purpose: These questions collect the date the FAFSA was completed and student and/or parent signatures (and, if used, the FAFSA preparer's information and signature).

By signing the FAFSA, the student and/or parent agree, if asked, to provide information that verifies the accuracy of the completed form. The signature(s) also certify that the signers:

- will use federal student financial aid only to pay the cost of attending a postsecondary school,
- have no defaulted federal student loans (or have made satisfactory repayment arrangements),
- do not owe money back on a federal student grant (or have made satisfactory repayment arrangements), and
- will notify the school if a federal student loan is defaulted on.

If students and/or parents purposely give false or misleading information, they may be fined $10,000, sent to prison, or both.

If the FAFSA was not completed by the student, the student's spouse, or the student's parents, certain information about the preparer is collected. High school counselors, financial aid administrators, and others who help students with their FAFSAs by actually completing line items or dictating responses are considered preparers. Preparers must complete the appropriate section of this step even if they are not paid for their services.

- **Question 96** is where the student signs the FAFSA. If parents' information was provided in Step Four, a parent must also sign the FAFSA here. Only one parent signature is needed. (A student using FAFSA on the Web or FAFSA Express must print, sign, and mail a signature page.)
- There are some circumstances when a high school counselor or a postsecondary school's financial aid administrator may sign the application in place of parents:
  - the parent(s) is not currently in the United States and cannot be contacted by normal means,
  - the current address of the parent(s) is not known, or

- the parent(s) has been determined physically or mentally incapable of providing a signature.

  Substituting the signature of a counselor or financial aid administrator is a way to move the FAFSA through the processing system. The counselor or financial aid administrator must provide his or her title in parentheses next to his or her signature and briefly state the reason why he or she is signing for the parent(s).

  By signing in place of a parent, the counselor or financial aid administrator is assuring a minimum level of credibility for the data submitted. However, the counselor or financial aid administrator does not assume any responsibility or liability in this process. If a financial aid office finds any inaccuracies in the information reported, the student corrects the information through the correction process described in Part 2 of this handbook.

- **Questions 97-99** require the preparer to provide his or her name, the name of the firm, address, and Social Security number or Employer Identification Number. The preparer also must sign and date the FAFSA.

Note: The "school use only" box at the end of the FAFSA is for postsecondary school use, not for high school use.

WHERE ED SENDS THE FAFSA INFORMATION

After ED receives and processes the FAFSA, it sends the information to:

- the student,
- each school the student lists in Step Five,
- the state agency (or agencies) in the student's state of legal residence, and
- the state agencies of the states in which the schools listed in Step Five are located.

This maximizes the student's chances for receiving state-based and school-based financial aid.

Free Application for Federal Student Aid

OMB 1840-0110

July 1, 1999 — June 30, 2000 school year

Step One: **For questions 1-37, leave blank any questions that do not apply to you (the student).**

1-3. Your name — 1. LAST NAME | 2. FIRST NAME | 3. M.I.

4-7. Your permanent mailing address — 4. NUMBER AND STREET (INCLUDE APARTMENT NUMBER); 5. CITY (AND COUNTRY, IF NOT U.S.); 6. STATE; 7. ZIP CODE

8. Your Social Security Number — AREA CODE

9. Your date of birth — MONTH / DAY / YEAR (19__)

10. Your permanent telephone number — AREA CODE

11. Do you have a driver's license? Yes ○ 1 No ○ 2

12-13. Driver's license number and state — 12. LICENSE NUMBER; 13. STATE

14. Are you a U.S. citizen? Pick one. **See Page 2.**

a. Yes, I am a U.S. citizen. ○ 1

b. No, but I am an eligible noncitizen. **Fill in question 15.** ○ 2

c. No, I am not a citizen or eligible noncitizen. ○ 3

15. ALIEN REGISTRATION NUMBER — A

16. Marital status as of today

I am single, divorced, or widowed. ○ 1

I am married. ○ 2

I am separated. ○ 3

17. Month and year you were married, separated, divorced, or widowed — MONTH / YEAR

For each question (18 - 22), please mark whether you will be full time, 3/4 time, half time, less than half time, or not attending. Mark "Full time" if you are not sure. See page 2.

18. Summer 1999	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
19. Fall semester or quarter 1999	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
20. Winter quarter 1999-2000	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
21. Spring semester or quarter 2000	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
22. Summer 2000	Full time ○ 1	3/4 time ○ 2	Half time ○ 3	Less than half time ○ 4	Not attending ○ 5
23. Highest school your father completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4	
24. Highest school your mother completed	Middle school/Jr. High ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4	

25. What is your state of legal residence? STATE

26. Did you become a legal resident of this state before January 1, 1994? Yes ○ 1 No ○ 2

27. If the answer to question 26 is **"No,"** give month and year you became a legal resident. MONTH / YEAR

28. Most male students must register with Selective Service to get federal aid. Are you male? Yes ○ 1 No ○ 2

29. If you are male (age 18-25) and not registered, do you want Selective Service to register you? Yes ○ 1 No ○ 2

30. What degree or certificate will you be working towards during 1999-2000? **See page 2** and enter the correct number in the box.

31. What will be your grade level when you begin the 1999-2000 school year? **See page 2** and enter the correct number in the box.

32. Will you have a high school diploma or GED before you enroll? Yes ○ 1 No ○ 2

33. Will you have your first bachelor's degree before July 1, 1999? Yes ○ 1 No ○ 2

34. In addition to grants, are you interested in student loans (which you must pay back)? Yes ○ 1 No ○ 2

35. In addition to grants, are you interested in "work-study" (which you earn through work)? Yes ○ 1 No ○ 2

36. If you receive veterans' education benefits, for **how many months** from July 1, 1999 through June 30, 2000 will you receive these benefits?

37. **Amount per month?** $

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For 38-52, if you are now married (even if you were not married in 1998), report both your and your spouse's income and assets. If you are not married, answer these questions about you and ignore the references to "spouse." If the answer is zero or the question does not apply to you, enter 0.

38. For 1998, have you filed your IRS income tax return or a tax return listed in **question 39**?

a. I have already filed. ○ 1 **b.** I will file, but I have not yet filed. ○ 2 **c.** I'm not going to file. **(Skip to question 45.)** ○ 3

39. What income tax return did you file or will you file for 1998?

a. IRS 1040 ..... ○ 1 **c.** A foreign tax return. **See Page 2.** ..... ○ 3
b. IRS 1040A, 1040EZ, 1040Telefile ..... ○ 2 **d.** A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, Marshall Islands, the Federated States of Micronesia, or Palau. **See Page 2.** ..... ○ 4

40. If you have filed or will file a 1040, were you eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No/don't know ○ 2

41. What was your (and spouse's) adjusted gross income for 1998? Adjusted gross income is on IRS Form 1040–line 33; 1040A–line 18; or 1040EZ–line 4. $,

42. Enter the total amount of your (and spouse's) income tax for 1998. Income tax amount is on IRS Form 1040–line 49; 1040A–line 32; or 1040EZ–line 10. $,

43. Enter your (and spouse's) exemptions. Exemptions are on IRS Form 1040–line 6d, and on Form 1040A–line 6d. For Form 1040EZ, **see page 2.**

44. Enter your Earned Income Credit from IRS Form 1040–line 59a; 1040A–line 37a; or 1040EZ–line 8a. $,

45-46. How much did you (and spouse) earn from working in 1998? Answer this question whether or not you filed a tax return. This information may be on your W-2 forms, or on IRS Form 1040–lines 7, 12, and 18; or on 1040A–line 7; or on 1040EZ–line 1.

You (45) $,

Your Spouse (46) $,

47. Go to page 8 of this form; complete the column on the left of **Worksheet A**; enter student total here. $,

48. Go to page 8 of this form; complete the column on the left of **Worksheet B**; enter student total here. $,

49. Total current balance of cash, savings, and checking accounts $,

For 50-52, if net worth is one million or more, enter $999,999. If net worth is negative, enter 0.

50. Current net worth of investments (investment value minus investment debt) **See page 2.** $,

51. Current net worth of business (business value minus business debt) **See page 2.** $,

52. Current net worth of investment farm (Don't include a farm that you live on and operate.) $,

Step Two: If you (the student) answer "Yes" to any question in Step Two, go to Step Three. If you answer "No" to every question, skip Step Three and go to Step Four.

53. Were you born before January 1, 1976? ..... Yes ○ 1 No ○ 2

54. Will you be working on a degree beyond a bachelor's degree in school year 1999-2000? ..... Yes ○ 1 No ○ 2

55. As of today, are you married? (Answer yes if you are separated, but not divorced.) ..... Yes ○ 1 No ○ 2

56. Are you an orphan or ward of the court or were you a ward of the court until age 18? ..... Yes ○ 1 No ○ 2

57. Are you a veteran of the U.S. Armed Forces? **See page 2.** ..... Yes ○ 1 No ○ 2

58. Answer **"Yes"** if: (1) You have children who receive more than half of their support from you; **or**
(2) You have dependents (other than your children or spouse) who live with you and receive more than half of their support from you, now and through June 30, 2000. ..... Yes ○ 1 No ○ 2

Step Three: Complete this step only if you answered "Yes" to any question in Step Two.

59. How many people are in your (and your spouse's) household? **See page 7.**

60. How many in question 59 will be college students between July 1, 1999, and June 30, 2000? **See page 7.**

Now go to Step Five. (If you are a graduate health profession student, you may be required to complete Step Four even if you answered "Yes" to any questions in Step Two.)

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Step Four: Please tell us about your parents. See page 7 for who is considered a parent. Complete this step if you (the student) answered "No" to all questions in Step Two.

For 61 - 75, if the answer is zero or the question does not apply, enter 0.

61. For 1998, have your parents filed their IRS income tax return or a tax return listed in **question 62**?

a. My parents have already filed. ○ 1 b. My parents will file, but they have not yet filed. ○ 2 c. My parents are not going to file. **(Skip to question 68.)** ○ 3

62. What income tax return did your parents file or will they file for 1998?

a. IRS 1040 ..... ○ 1
b. IRS 1040A, 1040EZ, 1040Telefile ..... ○ 2
c. A foreign tax return. **See Page 2.** ..... ○ 3
d. A tax return for Puerto Rico, Guam, American Samoa, the Virgin Islands, Marshall Islands, the Federated States of Micronesia, or Palau. **See Page 2.** ..... ○ 4

63. If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ? **See page 2.** Yes ○ 1 No/don't know ○ 2

64. What was your parents' adjusted gross income for 1998? Adjusted gross income is on IRS Form 1040–line 33; 1040A–line 18; or 1040EZ–line 4. $,

65. Enter the total amount of your parents' income tax for 1998. Income tax amount is on IRS Form 1040–line 49; 1040A–line 32; or 1040EZ–line 10. $,

66. Enter your parents' exemptions. Exemptions are on IRS Form 1040–line 6d and on Form 1040A–line 6d. For Form 1040EZ, **see page 2.**

67. Enter your parents' Earned Income Credit from IRS Form 1040–line 59a; 1040A–line 37a; or 1040EZ–line 8a. $,

68-69. How much did your parents earn from working in 1998? Answer this question whether or not your parents filed a tax return. This information may be on their W-2 forms, or on IRS Form 1040–lines 7, 12, and 18; or on 1040A–line 7; or on 1040EZ–line 1.

Father/ Stepfather (68) $,

Mother/ Stepmother (69) $,

70. Go to page 8 of this form; complete the column on the right of **Worksheet A**; enter parent total here. $,

71. Go to page 8 of this form; complete the column on the right of **Worksheet B**; enter parent total here. $,

72. Total current balance of cash, savings, and checking accounts $,

For 73–75, if net worth is one million or more, enter $999,999. If net worth is negative, enter 0.

73. Current net worth of investments (investment value minus investment debt) **See page 2.** $,

74. Current net worth of business (business value minus business debt) **See page 2.** $,

75. Current net worth of investment farm (Don't include a farm that your parents live on and operate.) $,

76. Parents' marital status as of today? (Pick one.) Married ○ 1 Single ○ 2 Divorced/Separated ○ 3 Widowed ○ 4

77. How many people are in your parents' household? **See page 7.**

78. How many in question 77 will be college students between July 1, 1999, and June 30, 2000? **See page 7.**

79. What is your parents' state of legal residence? STATE

80. Did your parents become legal residents of the state in question 79 before January 1, 1994? Yes ○ 1 No ○ 2

81. If the answer to question 80 is "No," enter month/year for the parent who has been a legal resident the longest. MONTH / YEAR

82. What is the age of your older parent?

Step Five: Please tell us which schools should receive your information.

For each school (up to six), please provide the federal school code and indicate your housing plans. Look for the federal school codes at your college financial aid office, at your public library, on the internet at http://www.ed.gov/offices/OPE, or by asking your high school guidance counselor. If you cannot get the federal school code, write in the complete name, address, city, and state of the college.

	Federal school code	*OR* Name of college	College street address and city	State	Housing Plans
83.					84. on campus ○ 1 off campus ○ 2 with parent ○ 3
85.					86. on campus ○ 1 off campus ○ 2 with parent ○ 3
87.					88. on campus ○ 1 off campus ○ 2 with parent ○ 3
89.					90. on campus ○ 1 off campus ○ 2 with parent ○ 3
91.					92. on campus ○ 1 off campus ○ 2 with parent ○ 3
93.					94. on campus ○ 1 off campus ○ 2 with parent ○ 3

Step Six: Please read, sign, and date.

By signing this application, you agree, if asked, to provide information that will verify the accuracy of your completed form. This information may include a copy of your U.S. or state income tax form. Also, you certify that you (1) will use federal student financial aid only to pay the cost of attending an institution of higher education, (2) are not in default on a federal student loan or have made satisfactory arrangements to repay it, (3) do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, and (4) will notify your school if you default on a federal student loan. If you purposely give false or misleading information, you may be fined $10,000, sent to prison, or both.

95. Date this form was completed.

MONTH / DAY / 1999 ○ or 2000 ○

96. Student signature

1

Parent signature (one parent whose information is provided in Step Four.)

2

If this form was filled out by someone other than you, your spouse, or your parent(s), that person must complete this part.

Preparer's Name and Firm _____

Address _____

97. Social Security # ___ – ___ – ____

OR

98. Employer ID # ___ – _____

SCHOOL USE ONLY

D/O ○ Federal School Code

FAA Signature

99. Signature and Date _____

MDE USE ONLY

Special Handle ___ – _____

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Worksheets – Even though you may have few of these items, check carefully.

Keep these worksheets with a copy of your application. Do **not** mail these worksheets in with your application.

Worksheet A

For question **47:** Enter and add together all of the following that apply to you (and your spouse) in the column on the left. Enter the total amount in question 47 on page 4 of this form.

For question **70:** Enter and add together all of the following that apply to your parents in the column on the right (if you are required to complete Step 4 of the application). Enter the total amount in question 70 on page 5 of this form.

For question 47 Student (and spouse)	**Calendar Year 1998**	**For question 70 Parent(s)**
$	Payments to tax-deferred pension and savings plans (paid directly or withheld from earnings) as reported on the W-2 Form. Include untaxed portions of 401(k) and 403(b) plans.	$
$	Deductible IRA and/or Keogh payments: IRS Form 1040–total of lines 23 and 29; or 1040A–line 15	$
$	Child support received for all children. Don't include foster care or adoption payments.	$
$	Welfare benefits, including Temporary Assistance for Needy Families (TANF). Don't include food stamps.	$
$	Tax exempt interest income from IRS Form 1040–line 8b; or 1040A–line 8b	$
$	Foreign income exclusion from IRS Form 2555–line 43; or 2555EZ–line 18	$
$	Untaxed portions of pensions from IRS Form 1040–(line 15a minus 15b) plus (16a minus 16b); or 1040A–(line 10a minus 10b) plus (11a minus 11b) excluding rollovers	$
$	Credit for Federal tax on special fuels from IRS Form 4136–Part III – nonfarmers only	$
$	Social Security payments that were not taxed	$
$	Housing, food, and other living allowances paid to members of the military, clergy, and others (including cash payments and cash value of benefits)	$
$	Workers' Compensation	$
$	Veterans' noneducation benefits, such as Death Pension or Dependency & Indemnity Compensation (DIC)	$
$	Any other untaxed income and benefits, such as VA Educational Work-Study allowances, untaxed portions of Railroad Retirement Benefits, Black Lung Benefits, Refugee Assistance, etc. Don't include student aid, JTPA benefits, or benefits from flexible spending arrangements, e.g., cafeteria plans.	$
$	Cash or any money paid on your behalf, not reported elsewhere on this form	XXXXXXXXX
$	(Enter this amount in question 47.) (Enter this amount in question 70.)	$
Student (and spouse) total		**Parent(s) total**

Worksheet B

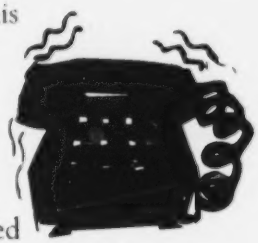
For question **48:** Enter and add together all of the following that apply to you (and your spouse) in the column on the left. Enter the total amount in question 48 on page 4 of this form.

For question **71:** Enter and add together all of the following that apply to your parents in the column on the right (if you are required to complete Step 4 of the application). Enter the total amount in question 71 on page 5 of this form.

For question 48 Student (and spouse)	**Calendar Year 1998**	**For question 71 Parent(s)**
$	Education credits (Hope and Lifetime Learning Tax Credits) from IRS Form 1040-line 44; or 1040A-line 29.	$
$	Child support you or your spouse (or your parents) paid because of divorce or separation. Do not include support for children in your (or your parents') household, as reported in question 59 (or question 77 for your parents).	$
$	Taxable earnings from Federal Work-Study or other need-based work programs	$
$	AmeriCorps awards — allowances and benefits	$
$	Student grant and scholarship aid in excess of the tuition, fees, books, and supplies that was reported in question 41 for students and 64 for parents	$
$	(Enter this amount in question 48.) (Enter this amount in question 71.)	$
Student (and spouse) total		**Parent(s) total**

APPENDIX A Sources of Additional Information

For information on any federal student financial aid program discussed in this handbook, you or your students may call:



Federal Student Aid Information Center (FSAIC)

1-800-4-FED-AID (1-800-433-3243)—a toll-free number

TDD **(1-800-730-8913)**—a toll-free number for the hearing impaired

8 a.m. to 8 p.m. (Eastern Time), Monday through Friday

The FSAIC provides the following services:

- helping complete the Free Application for Federal Student Aid (FAFSA),
- explaining the Student Aid Report (SAR) produced from the FAFSA and how to make corrections,
- checking on the processing status of the FAFSA,
- requesting a duplicate SAR,
- checking on whether a school participates in federal student aid programs,
- explaining who is eligible for federal student aid,
- explaining how federal student aid is awarded and paid,
- explaining the "verification" process, and
- mailing requested publications.

Please note that the FSAIC cannot accept collect calls.

The FSAIC is NOT able to:

- make policy,
- expedite the federal student aid application process,
- discuss a student's federal student aid file with an unauthorized person,
- change a student's file without written, signed authorization, or
- influence an individual school's financial aid policies.

A high school student's best initial sources of information on federal student aid are *Funding Your Education* (see the annotated listing that follows), the notes in the FAFSA, high school counselors, and postsecondary school financial aid administrators.

Web sites

If you or your students have Internet access to the World Wide Web (WWW), you can access the U.S. Department of Education's (ED's) Web site. This site provides general information about ED and federal student financial aid, as well as access to some of ED's publications.

- The main site address for information about ED's financial aid programs and publications is **http://www.ed.gov/studentaid**
- The most current version of *Funding Your Education* is available through the main address and **http://www.ed.gov/prog_info/SFA/FYE/**
- Federal school codes (to be entered on the FAFSA) can be found through the main address and **http://www.ed.gov/offices/OPE**
- The most current version of the *Student Guide* is available through the main address and **http://www.ed.gov/prog_info/SFA/StudentGuide/**
- ***The Think College Web Site***—A Web site designed to provide publications and information on postsecondary opportunities for people of all ages. It contains links to *Think College Early* (middle school students), *High School and Beyond* (high school students), and *Returning to School* (adults). It can be accessed at **http://www.ed.gov/thinkcollege**

Note: A list of selected Web sites dealing with student financial aid is available as an easy-to-photocopy handout for students in **Appendix C**.

Free publications

- ***Funding Your Education***—This is a free booklet giving federal student financial aid application information and describing the U.S. Department of Education's major financial aid programs. Individual copies are available from:

  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

  Telephone: **1-800-4-FED-AID** (1-800-433-3243)

- ***Looking for Student Aid***—A free guide about using scholarship search services and looking for information about financial aid. It is available from:

  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

  Telephone: **1-800-4-FED-AID** (1-800-433-3243)

- ***The Student Guide***—A free guide providing a comprehensive description of the federal student aid programs and how to apply for them. It is available from:

  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

  Telephone: **1-800-4-FED-AID** (1-800-433-3243)

- ***School Shopping Tips Video***—A free video about choosing a school carefully. It suggests specific things to look for when choosing a school and a career. It is available from:

  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

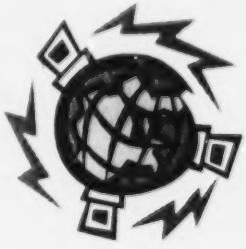
  Telephone: **1-800-4-FED-AID** (1-800-433-3243)

- ***College is Possible***—A free brochure with information on preparing for college, choosing the right college, and paying for college published by the Coalition of America's Colleges and Universities. It is available from:

  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

  Telephone: **1-800-4-FED-AID** (1-800-433-3243)

Information also can be accessed at **http://CollegeIsPossible.org**



- ***Think College? Me? Now?***—A free handbook for students in middle school and junior high. It is available from:

  Federal Student Aid Information Center
  P.O. Box 84
  Washington, DC 20044

  Telephone: **1-800-4-FED-AID** (1-800-433-3243)

  The text is available on the Web at **http://www.ed.gov.pubs/CollegeMeNow**

- *Preparing Your Child for College: A Resource Book for Parents*—A free booklet that provides information on academic and financial preparation necessary for college. It is available from:

  Consumer Information Center
  Department 508-D
  Pueblo, CO 81009

  1-719-948-3334

Low-cost publications

- *Need a Lift?*—This publication contains a survey of educational opportunities, loans, scholarships, and careers. For credit card orders only, call **1-888-453-4466**. (The cost, including shipping, is $6.95 when paying by credit card.) The publication is also available for $3 by ordering from the following address:

  The American Legion
  National Emblem Sales
  P.O. Box 1050
  Indianapolis, IN 46206

  1-888-453-4466 (credit card orders only)

- *Make it Happen!*—A step-by-step guide to college for students in grades 8 through 10. It is available for $1 per copy (multiple copies require an additional charge) from:

  The Education Resources Institute (TERI)
  Higher Education Information Center
  Youth Programs Department
  330 Stuart Street, Suite 500
  Boston, MA 02116

  1-617-426-0681, ext. 4237

APPENDIX B Directory of State Agencies

Listed below for each state are the agencies responsible for administering the **Leveraging Educational Assistance Partnership (LEAP) Program,*** formerly the State Student Incentive Grant (SSIG) Program, and **Robert C. Byrd Honors Scholarship Program** in that state.

ALABAMA

LEAP Program:

Alabama Commission on Higher Education
Grants and Scholarships Department
P.O. Box 302000
Montgomery, Alabama 36130-2000
TEL: (334) 242-1998

Byrd Program:

State Department of Education
Gordon Persons Office Building
50 North Ripley Street
Montgomery, Alabama 36130-3901
TEL: (334) 242-8059

ALASKA

LEAP Program:

Does not participate

Byrd Program:

Alaska Department of Education
Goldbelt Place
801 West 10th Street, Suite 200
Juneau, Alaska 99801-1894
TEL: (907) 465-8728 (Naomi Obie)
TEL: (907) 465-4685 (Angie Binkley)

ARIZONA

LEAP Program:

Arizona Commission for Postsecondary Education
2020 North Central Avenue, Suite 275
Phoenix, Arizona 85004-4503
TEL: (602) 229-2591

Byrd Program:

State Department of Education
1535 West Jefferson
Phoenix, Arizona 85007
TEL: (602) 542-7469

ARKANSAS

LEAP Program:

Arkansas Department of Higher Education
114 East Capitol
Little Rock, Arkansas 72201-3818
TEL: (501) 371-2000

Byrd Program:

Arkansas Department of Education
4 State Capitol Mall, Room 107A
Attention: Margaret Crank
Little Rock, Arkansas 72201-1071
TEL: (501) 682-4396

*States might use different names for this program.

CALIFORNIA

LEAP Program:

California Student Aid Commission
P.O. Box 419027
Rancho Cordova, California 95741-9027
TEL: (916) 526-7590

Byrd Program:

California Student Aid Commission
P.O. Box 419029
Rancho Cordova, California 95741-9029
TEL: (916) 526-7973

COLORADO

LEAP Program:

Colorado Commission on Higher Education
Colorado Heritage Center
1300 Broadway, 2nd Floor
Denver, Colorado 80203
TEL: (303) 866-2723

Byrd Program:

Colorado Department of Education
201 East Colfax Avenue
Denver, Colorado 80203-1799
TEL: (303) 866-6678

CONNECTICUT

LEAP and Byrd Programs:

Connecticut Department of Higher Education
61 Woodland Street
Hartford, Connecticut 06105-2391
TEL: (860) 947-1855 (local)
TEL: 1-800-842-0229 (toll free)

DELAWARE

LEAP and Byrd Programs:

Delaware Higher Education Commission
Carvel State Office Building, 5th Floor
820 North French Street
Wilmington, Delaware 19801
TEL: (302) 577-3240

DISTRICT OF COLUMBIA

LEAP Program:

Department of Human Services
Office of Postsecondary Education
Research and Assistance
2100 Martin Luther King, Jr. Avenue, S.E., Suite 401
Washington, D.C. 20020
TEL: (202) 727-3688

Byrd Program:

District of Columbia Public Schools
Division of Student Services
825 N. Capital, N.E.
Washington, D.C. 20002
TEL: (202) 442-4080

FLORIDA

LEAP and Byrd Programs:

Florida Department of Education
Office of Student Financial Assistance
State Programs, 255 Collins Building
325 West Gaines Street
Tallahassee, Florida 32399-0400
TEL: (850) 487-0049 (local)
TEL: 1-888-827-2004 (toll free)

GEORGIA

LEAP Program:

Does not participate

Byrd Program:

Georgia Department of Education
1770 Twin Towers East
Atlanta, Georgia 30334-5040
TEL: (404) 656-5969

HAWAII

LEAP Program:

Hawaii State Postsecondary Education Commission
2444 Dole Street, Room 119
Honolulu, Hawaii 96822-2394
TEL: (808) 956-8207

Byrd Program:

Hawaii Department of Education
OASIS-Student Support Section
Attention: Deanna Helber
637 18th Avenue, Building C-203
Honolulu, Hawaii 96816
TEL: (808) 733-9124

IDAHO

LEAP Program:

Idaho State Board of Education
P.O. Box 83720
Boise, Idaho 83720-0037
TEL: (208) 334-2270

Byrd Program:

Idaho State Department of Education
P.O. Box 83720
Boise, Idaho 83720-0027
TEL: (208) 332-6943

ILLINOIS

LEAP Program:

Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
TEL: (847) 948-8550 (local)
TEL: 1-800-899-4722 (toll free)

Byrd Program:

Illinois Student Assistance Commission
500 West Monroe Street, 3rd Floor
Attention: Larry Matejka
Springfield, Illinois 62704-1876
TEL: (217) 782-6767 (local)
TEL: 1-800-899-4722 (toll free)

INDIANA

LEAP and Byrd Programs:

State Student Assistance Commission of Indiana
150 West Market Street, Suite 500
Indianapolis, Indiana 46204-2811
TEL: (317) 232-2350
TEL: 1-888-528-4719 (toll free)

IOWA

LEAP and Byrd Programs:

Iowa College Student Aid Commission
200 10th Street, 4th Floor
Des Moines, Iowa 50309-3609
TEL: (515) 281-3501 (local)
TEL: 1-800-383-4222 (toll free)

KANSAS

LEAP Program:

Kansas Board of Regents
700 S.W. Harrison, Suite 1410
Topeka, Kansas 66603-3760
TEL: (785) 296-3517

Byrd Program:

Kansas Department of Education
Kansas State Education Building
120 East Tenth Street
Topeka, Kansas 66612-1103
TEL: (785) 296-4950

KENTUCKY

LEAP Program:

Kentucky Higher Education Assistance Authority
1050 U.S. 127 South
Frankfort, Kentucky 40601-4323
TEL: 1-800-928-8926 (toll free)

Byrd Program:

Kentucky Department of Education
500 Mero Street, 19th Floor
Attention: Donna Melton
Frankfort, Kentucky 40601
TEL: (502) 564-3421

LOUISIANA

LEAP Program:

Louisiana Office of Student Financial Assistance
P.O. Box 91202
Baton Rouge, Louisiana 70821-9202
TEL: 1-800-259-5626 (toll free)

Byrd Program:

Louisiana Department of Education
P.O. Box 94064
626 North 4th Street, 12th Floor
Baton Rouge, Louisiana 70804-9064
TEL: (225) 342-2098

MAINE

LEAP and Byrd Programs:

Finance Authority of Maine
P.O. Box 949
Augusta, Maine 04332-0949
TEL: (207) 623-3263

MARYLAND

LEAP Program:

Maryland Higher Education Commission
State Scholarship Administration
16 Francis Street
Annapolis, Maryland 21401-1781
TEL: (410) 974-5370 (local)
TEL: 1-800-974-1024 (toll free)

Byrd Program:

Maryland State Department of Education
200 West Baltimore Street
Baltimore, Maryland 21201-2595
TEL: (410) 767-0480
TEL: (410) 767-0502

MASSACHUSETTS

LEAP Program:

Massachusetts Office of Student Financial Assistance
330 Stuart Street, Suite 304
Boston, Massachusetts 02116
TEL: (617) 727-9420

Byrd Program:

Massachusetts Department of Education
350 Main Street
Malden, Massachusetts 02148-5023
TEL: (781) 388-3300, ext. 404

MICHIGAN

LEAP and Bryd Programs:

Michigan Higher Education Assistance Authority
Office of Scholarships and Grants
P.O. Box 30462
Lansing, Michigan 48909-7962
TEL: (517) 373-3394 (local)
TEL: 1-888-447-2687 (toll free)

MINNESOTA

LEAP Program:

Minnesota Higher Education Services Office
1450 Energy Park Drive, Suite 350
St. Paul, Minnesota 55108-5227
TEL: 1-800-657-3866 (toll free)

Byrd Program:

Minnesota Department of Children, Families and Learning
Learner Options Division
Attention: Mara Dehn-Altstatt
1500 Highway 36 West
Roseville, Minnesota 55113-4266
TEL: (651) 582-8259

MISSISSIPPI

LEAP Program:

Mississippi Postsecondary Education Financial Assistance Board
3825 Ridgewood Road
Jackson, Mississippi 39211-6453
TEL: (601) 982-6663

Byrd Program:

Mississippi Department of Education
Mississippi Teacher Center
P.O. Box 771
Attention: Jerry Knight
Jackson, Mississippi 39205-0771
TEL: (601) 359-3631

MISSOURI

LEAP Program:

Missouri Coordinating Board for Higher Education
3515 Amazonas Drive
Jefferson City, Missouri 65109-5717
TEL: (573) 751-2361

Byrd Program:

Missouri Department of Elementary and Secondary Education
P.O. Box 480
Jefferson City, Missouri 65102-0480
TEL: (573) 751-1668

MONTANA

LEAP Program:

Montana University System
2500 Broadway, P.O. Box 203101
Helena, Montana 59620-3101
TEL: (406) 444-6570

Byrd Program:

Montana Office of Public Instruction
P.O. Box 202501
Attention: Byrd Scholarship
Helena, Montana 59620-2501
TEL: (406) 444-5663

NEBRASKA

LEAP Program:

Nebraska Coordinating Commission for Postsecondary Education
P.O. Box 95005
Lincoln, Nebraska 68509-5005
TEL: (402) 471-2847

Byrd Program:

Nebraska Department of Education
Attention: Education Support Services
301 Centennial Mall South, P.O. Box 94987
Lincoln, Nebraska 68509-4987
TEL: (402) 471-2784

NEVADA

LEAP and Byrd Programs:

Nevada Department of Education
700 East Fifth Street
Carson City, Nevada 89701
TEL: (775) 687-9228

NEW HAMPSHIRE

LEAP Program:

New Hampshire Postsecondary Education Commission
2 Industrial Park Drive
Concord, New Hampshire 03301-8512
TEL: (603) 271-2555
TEL: (603) 271-2695

Byrd Program:

New Hampshire Department of Education
State Office Park South
101 Pleasant Street, Room 317
Attention: Marie Gage
Concord, New Hampshire 03301
TEL: (603) 271-6051

NEW JERSEY

LEAP Program:

State of New Jersey
Office of Student Assistance
4 Quakerbridge Plaza, P.O. Box 540
Trenton, New Jersey 08625-0540
TEL: 1-800-792-8670 (toll free)

Byrd Program:

New Jersey Department of Education
100 Riverview Plaza, P.O. Box 500
Trenton, New Jersey 08625-0500
TEL: (609) 292-5850

NEW MEXICO

LEAP Program:

New Mexico Commission on Higher Education
1068 Cerrillos Road
Santa Fe, New Mexico 87501-4295
TEL: (505) 827-7383

Byrd Program:

New Mexico Department of Education
Attention: School Improvement and Support
300 Don Gaspar
Santa Fe, New Mexico 87501-2786
TEL: (505) 827-6648

NEW YORK

LEAP Program:

New York State Higher Education Services Corporation
99 Washington Avenue
Albany, New York 12255
TEL: (518) 474-5642

Byrd Program:

New York State Education Department
Scholarship Unit
Room 1071, EBA
Albany, New York 12234
TEL: (518) 486-1319

NORTH CAROLINA

LEAP Program:

North Carolina State Education Assistance Authority
P.O. Box 2688
Chapel Hill, North Carolina 27515-2688
TEL: (919) 549-8614

Byrd Program:

North Carolina Department of Public Instruction
301 North Wilmington Avenue
Attention: Scholarship Office (Linda Johnson)
Raleigh, North Carolina 27601-2825
TEL: (919) 715-1161

NORTH DAKOTA

LEAP Program:

North Dakota University System
North Dakota Student Financial Assistance Program
600 East Boulevard Avenue, Department 215
Bismarck, North Dakota 58505-0230
TEL: (701) 328-4114

Byrd Program:

North Dakota Department of Public Instruction
600 East Boulevard Avenue, 9th Floor
Bismarck, North Dakota 58505-0440
TEL: (701) 328-2098

OHIO

LEAP Program:

Ohio Board of Regents
State Grants and Scholarships
88 East Broad Street, P.O. Box 182452
Columbus, Ohio 43218-2452
TEL: 1-888-833-1133 (toll free)

Byrd Program:

Ohio Department of Education
65 South Front Street, Room 1009
Columbus, Ohio 43266-0308
TEL: (614) 466-2761

OKLAHOMA

LEAP Program:

Oklahoma State Regents for Higher Education
Oklahoma Tuition Aid Grant Program
P.O. Box 3020
Oklahoma City, Oklahoma 73101-3020
TEL: (405) 858-4356

Byrd Program:

State Department of Education
Robert C. Byrd Honors Scholarship
2500 North Lincoln Boulevard, Room 212
Oklahoma City, Oklahoma 73105-4599
TEL: (405) 521-2808

OREGON

LEAP and Byrd Programs:

Oregon State Scholarship Commission
1500 Valley River Drive, Suite 100
Attention: Grant Department
Eugene, Oregon 97401
TEL: (541) 687-7400

PENNSYLVANIA

LEAP Program:

Pennsylvania Higher Education Assistance Agency
1200 North 7th Street
Harrisburg, Pennsylvania 17102-1444
TEL: (717) 720-2800 (local)
TEL: 1-800-692-7435 (toll free only within PA)

Byrd Program:

Pennsylvania Higher Education Assistance Agency
P.O. Box 8114
Harrisburg, Pennsylvania 17105-8114
TEL: (717) 720-3600 (local)
TEL: 1-800-692-7435 (toll free only within PA)

RHODE ISLAND

LEAP Program:

Rhode Island Higher Education Assistance Authority
560 Jefferson Boulevard
Warwick, Rhode Island 02886
TEL: 1-800-922-9855 (toll free)

Byrd Program:

Rhode Island Department of Education
255 Westminster Street
Providence, Rhode Island 02903
TEL: (401) 222-4600

SOUTH CAROLINA

LEAP Program:

South Carolina Higher Education Tuition Grants Commission
P.O. Box 12159
Columbia, South Carolina 29211
TEL: (803) 734-1200

Byrd Program:

South Carolina Department of Education
1100 Rutledge Building
1429 Senate Street
Columbia, South Carolina 29201
TEL: (803) 734-8116

SOUTH DAKOTA

LEAP Program:

Does not participate

Byrd Program:

Department of Education and Cultural Affairs
Office of the Secretary
700 Governors Drive
Pierre, South Dakota 57501-2291
TEL: (605) 773-3134

TENNESSEE

LEAP and Byrd Programs:

Tennessee Student Assistance Corporation
404 James Robertson Parkway
Parkway Towers, Suite 1950
Nashville, Tennessee 37243-0820
TEL: (615) 741-1346 (local)
TEL: 1-800-342-1663 (toll free only within TN)

TEXAS

LEAP and Byrd Programs:

Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, Texas 78711-2788
TEL: 1-800-242-3062 (toll free)

UTAH

LEAP Program:

Utah State Board of Regents
Utah System of Higher Education
355 West North Temple
Triad #3, Suite 550
Salt Lake City, Utah 84180-1205
TEL: (801) 321-7200

Byrd Program:

Utah State Office of Education
250 East 500 South
Salt Lake City, Utah 84111
TEL: (801) 538-7779

VERMONT

LEAP and Byrd Programs:

Vermont Student Assistance Corporation
Champlain Mill, 4th Floor
P.O. Box 2000
Winooski, Vermont 05404-2601
TEL: 1-802-655-9602 (local)
TEL: 1-800-642-3177 (toll free)

VIRGINIA

LEAP Program:

State Council of Higher Education for Virginia
James Monroe Building
101 North 14th Street
Richmond, Virginia 23219
TEL: (804) 786-1690

Byrd Program:

Virginia Department of Education
P.O. Box 2120
James Monroe Building
101 North 14th Street
Richmond, Virginia 23218-2120
TEL: (804) 225-2877

WASHINGTON

LEAP Program:

Washington State Higher Education Coordinating Board
917 Lakeridge Way
P.O. Box 43430
Olympia, Washington 98504-3430
TEL: (360) 753-7800

Byrd Program:

Superintendent of Public Instruction
Old Capitol Building, P.O. Box 47200
Olympia, Washington 98504-7200
TEL: (360) 753-2858

WEST VIRGINIA

LEAP and Byrd Programs:

State College and University Systems of West Virginia, Central Office
1018 Kanawha Boulevard East, Suite 700
Charleston, West Virginia 25301-2827
TEL: (304) 558-4614 (local)
TEL: 1-888-825-5707 (toll free)

WISCONSIN

LEAP Program:

Wisconsin Higher Educational Aids Board
P.O. Box 7885
Madison, Wisconsin 53707-7885
TEL: (608) 267-2206

Byrd Program:

State of Wisconsin Department of Public Instruction
125 South Webster Street
P.O. Box 7841
Madison, Wisconsin 53707-7841
TEL: (608) 266-3706

WYOMING

LEAP Program:

Wyoming Community College Commission
2020 Carey Avenue, 8th Floor
Cheyenne, Wyoming 82002
TEL: (307) 777-7763

Byrd Program:

Wyoming State Department of Education
2300 Capitol Avenue
Hathaway Building, 2nd Floor
Cheyenne, Wyoming 82002-0050
TEL: (307) 777-6268

AMERICAN SAMOA

LEAP and Byrd Programs:

American Samoa Community College
Board of Higher Education
P.O. Box 2609
Pago Pago, American Samoa 96799-2609
TEL: (684) 699-9155

GUAM

LEAP and Byrd Programs:

University of Guam
303 University Drive
Mangilao, Guam 96923
TEL: (671) 735-2287

NORTHERN MARIANA ISLANDS

LEAP Program:

Northern Marianas College
P.O. Box 1250
Saipan, MP 96950
TEL: (670) 234-5498, ext. 1422

Byrd Program:

Commonwealth of the Northern Mariana Islands
State Board of Public Education
Public School System
P.O. Box 1370 CK
Saipan, MP 96950
TEL: (670) 644-3714

PUERTO RICO

LEAP Program:

Puerto Rico Council on Higher Education
Box 19900-Fernandez Juncos Station
San Juan, Puerto Rico 00910-1900
TEL: (787) 724-7100

Byrd Program:

Puerto Rico Department of Education
P.O. Box 190759
Hato Rey, Puerto Rico 00919-0759
TEL: (787) 759-2000

VIRGIN ISLANDS

LEAP and Bryd Programs:

Virgin Islands Joint Board of Education
Charlotte Amalie, P.O. Box 11900
St. Thomas, Virgin Islands 00801
TEL: (340) 774-4546

Republic of the Marshall Islands

LEAP Program:

Does not participate

Byrd Program:

Republic of the Marshall Islands
RMI Scholarship Grant and Loan Board
P.O. Box 1436
Majuro, Marshall Islands 96960-1436
TEL: (692) 625-3108

Federated States of Micronesia

LEAP Program:

Does not participate

Byrd Program:

Federated States of Micronesia
1725 N Street N.W.
Washington, D.C. 20036
TEL: (202) 223-4383

Republic of Palau

LEAP Program:

Does not participate

Byrd Program:

Republic of Palau
Palau Community College
Office of Admissions and Financial Aid
P.O. Box 9
Koror, Republic of Palau, TT 96940
TEL: (680) 488-2470
TEL: (680) 488-2471

APPENDIX C

Sample Handouts

You'll find several handouts on the following pages that may be photocopied and used to provide basic information about student aid and postsecondary education opportunities.

You also might wish to create your own reminders and information sheets for students.

Selected Web Sites Providing Information Dealing with Student Financial Aid

1. **Federal student financial aid information** (includes texts of publications), U.S. Department of Education

   http://www.ed.gov/studentaid

2. **Free Application for Federal Student Aid (FAFSA)**—apply on the Web and for federal school codes

   http://www.fafsa.ed.gov

   http://www.ed.gov/studentaid

3. **Hope Scholarship** and **Lifelong Learning Credits**

   http://www.irs.ustreas.gov

4. For **general information** about scholarships, financial aid, planning a career, selecting a school, paying for school, and chat nights

   http://www.ed.gov/thinkcollege

   http://www.mapping-your-future.org/

5. **Federal tax returns and taxpayer help**, U.S. Internal Revenue Service

   http://www.irs.ustreas.gov

6. **Free scholarship search services**

   http://www.finaid.org

   http://www.college-scholarships.com/100college.htm

7. Information on **SAT** and other tests

   http://www.collegeboard.org

8. Information on **ACT**

   http://www.act.org

9. Register with the **Selective Service**

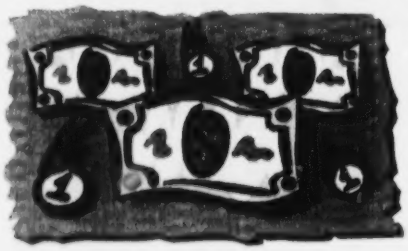
   http://www.sss.gov

10. **Calculate** loan repayments

    http://www.salliemae.com

Note: Although deemed reliable, the U.S. Department of Education does not endorse the nonfederal Web sites in this listing, the sponsors of the sites, or any products presented on the sites or links.

Be an informed consumer— know your rights!



Tuition and fees

Costs and when payments are made vary depending on the type of school.

If you're enrolling in a **community college** or **four-year college**, you will probably get a tuition and fee bill before each term (semester or quarter) begins; your federal financial aid will be paid each term.

If you're enrolling at a **vocational school**, you usually will be charged tuition and fees for the entire educational program at the beginning of the program. However, your federal financial aid that goes to the school will usually be divided into at least two payments. The first payment is made at the beginning of the program, and the second payment is made after you've finished half of the program.

Most schools use your financial aid to pay your tuition and fees. If there's any left over, the school must give it to you to help pay your living expenses.

Loans

Even if you qualify for a full Federal Pell Grant (gift aid), you may also have to get a student loan to pay for school.

Check with your school about the types of loans that are available. Before you borrow, make sure you can afford to pay it back. Either the school or the lender must give you a repayment schedule that explains how much your loan payments will be and when you have to start making the payments.

Remember that you must pay back a loan, even if you drop out of the school or don't find a job after you graduate.

Refund policy

It's important to find out if you can get a refund from the school if you drop out before you get your degree or certificate. (Of course, no one plans on dropping out, but it does happen.)

Every school that uses federal financial aid must have a written refund policy, and it must give you a copy of that policy if you request it.

If financial aid was used to pay your costs at the school, the whole refund or a part of your refund will probably go to the federal aid program it came from. Usually any other refund then will be made to your lender, if you took out a loan. This will reduce the amount of money that you have to repay. Any remaining refund goes to you.

It is in your best interest to let the school know exactly when you dropped out or plan to withdraw—it may reduce your debt.

Enrollment contracts

Read any school enrollment contract carefully before you sign it. The contract explains what the school will give you for your money.

If a representative of the school promises you things that are not in the contract, such as help finding a job, ask that the promise be written into the contract and that it be signed and dated. If necessary, the school can add a separate sheet of paper to the contract, with the title "Addendum to [name of contract]." A promise usually is not enforceable in court unless it is in writing.

For further consumer information, contact the U.S. Department of Education's Federal Student Aid Information Center at **1-800-4-FED-AID**.

Military Scholarships

Army Reserve Officer Training Corps (ROTC) scholarships are offered at hundreds of colleges and universities across the nation; they are awarded on a competitive basis to entering freshmen. Application packets, information on eligibility, and the telephone number of an ROTC advisor in your area are available from: Army ROTC, Gold Quest Center, P.O. Box 3279, Warminster, PA 18974-0128. The toll-free number is 1-800-USA-ROTC. The Web site is http://www.armyrotc.com

The **Air Force Reserve Officer Training Corps (AFROTC)** college scholarship program targets students pursuing technical degrees, such as certain engineering and science programs. AFROTC scholarships are awarded on the basis of individual merit, not financial need. Information about AFROTC scholarships is available from: HQ AFROTC\RRO, 551 East Maxwell Blvd., Maxwell AFB, AL 36112-6106. The toll-free number is 1-800-522-0033, ext. 7783. The Web site is http://www.afoats.af.mil

The **Naval Reserve Officer Training Corps (NROTC)** program offers young men and women an opportunity to qualify for commissions in the Navy and Marine Corps while attending college. This four-year scholarship is available to recent high school graduates and is awarded annually on the basis of high school class standings, college entrance test scores, extracurricular activities, and leadership qualities. For information about the NROTC scholarship program, contact any college that offers NROTC, or write to: Chief of Naval Education and Training (CNET), 250 Dallas Street, OTE6/081, Pensacola, FL 32508-5220. The toll-free number is 1-800-NAV-ROTC. The Web site is http://www.cnet.navy.mil/nrotc/nrotc.htm

Note: Military scholarships require recipients to enlist in one of the U.S. Armed Forces while attending college. After graduating, recipients will have a service obligation in either the reserves or active duty.

Don't Drop OUT!

Why stay in school?

How about... a good job!

Even if you're not sure what you want to do with your life, here's a good reason not to drop out of high school—**money**. Consider these average earnings:

High school dropout—$12,000 a year

High school graduate—$19,000 a year

College graduate—$37,000 a year

Sometimes it's hard to stay in school if you think you need to be working to earn money. But you'll have a better chance of finding and keeping a good job—and you'll earn more—if you finish high school.

If you're having trouble staying in school, talk to your school counselor. Ask about taking an aptitude test or interest inventory. Don't be afraid to ask for help.

IT PAYS TO STAY IN SCHOOL!

Choose a School

Getting training after high school may help you get a better-paying job doing work you like. But going to school is a big investment. You're investing your time. Chances are you'll also have to invest your own money or take out a student loan to go to school. So you need to be sure that you're making the right choice.

1. **Talk to your counselor.** Your school counselor is the first stop for information about the many options available to you. Counselors can help you focus on your own needs and goals, and they have all kinds of information about different types of schools. Your counselor can also help you collect or prepare application materials that a school asks for.

2. **Shop around.** Contact more than one school. If you're looking for vocational training, check the Yellow Pages under "Schools" for phone numbers. If your area has a community college, call the admissions office and find out what kinds of training the college offers.

3. **Visit the school.** Call the school and schedule a visit, preferably while classes are being taught. Try to get a feel for the school during your visit. Make sure that you are comfortable with the facilities, the equipment, the teachers, and the students.

4. **Don't be afraid to ask!** A good school will be happy to answer your questions about its programs. Ask the school about its students: How many of its students graduate? How many get jobs because of the training they received? What kind of job placement services does the school offer students and graduates?

5. **Check the cost.** Make sure the school gives you a clear statement of the tuition and fees it charges. Remember that any financial aid you get will be applied first to paying the school's tuition and fee charges. If there's any money left over, the school will give it to you to help you pay for things such as food and rent.

6. **Call these numbers.** Call your local Better Business Bureau to find out if there have been any complaints about the school. Call the U.S. Department of Education's Federal Student Aid Information Center's toll-free number (**1-800-4-FED-AID**) if you have any questions about your financial aid at the school or access the Web site at **http://www.ed.gov/studentaid**

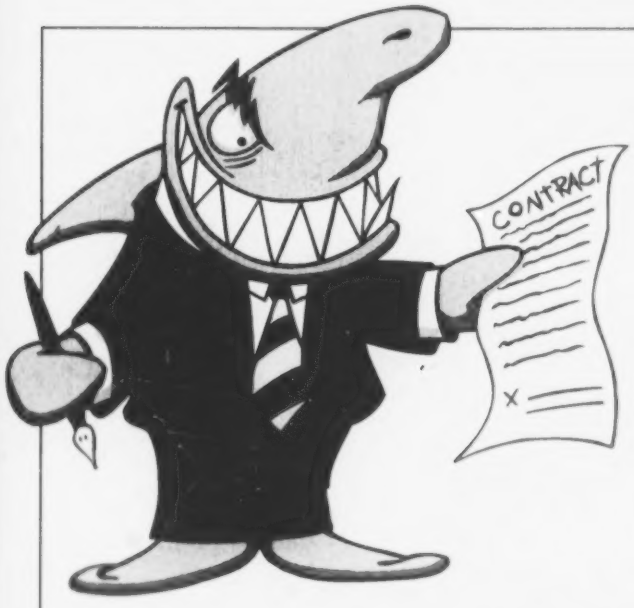
Need training for a job?

BEFORE YOU SIGN UP FOR A VOCATIONAL SCHOOL OR CORRESPONDENCE COURSE:

1. **Define your goals.** Do you want to learn a skill, prepare for a test, get a job, or get a license or certification?
2. **Comparison shop.** Look at the choices. Which is the best? Which makes the most sense for your wallet? Does on-the-job-training, a community college program, a correspondence course, or a vocational school make the most sense?
3. **Do a background check.** Ask employers you might want to work for what they think about the school. Call recent graduates to ask about their experience at the school. Visit the school when class is in session. Stick around to talk to current students. Call the agency that licenses or accredits the school to see if it meets required standards.

IMPORTANT POINTS:

- **Take your time.** Don't sign a contract until you've read it...and understood it. Ask questions about repayment terms, refunds and cancellation policies, and finding a job after you finish the course. What happens if you have to quit before you finish? It's a good idea to ask someone you trust to read and evaluate the forms, too.
- If you're unhappy with the school or program you chose—or if you think you were misled—**complain**. To whom? The agency that licenses or accredits the school, the U.S. Department of Education, the Federal Trade Commission, or the Better Business Bureau.



Don't get scammed on your way to college!

LOOK FOR THESE WARNING SIGNS THAT A SCHOLARSHIP MAY BE A SCAM!

1. **"This scholarship is guaranteed or your money back."** Wrong. No one can guarantee to get you a grant or scholarship. Remember, too, that school guarantees often have conditions or strings attached. Get school refund policies in writing.

2. **"You can't get this information anywhere else."** Unlikely. Many free lists of scholarships are available. Check with your school counselor or librarian for free information about current scholarships before you pay someone for the same or similar information. For more information about paying for college, visit the U.S. Department of Education's Web site for students at **http://www.ed.gov/studentaid**

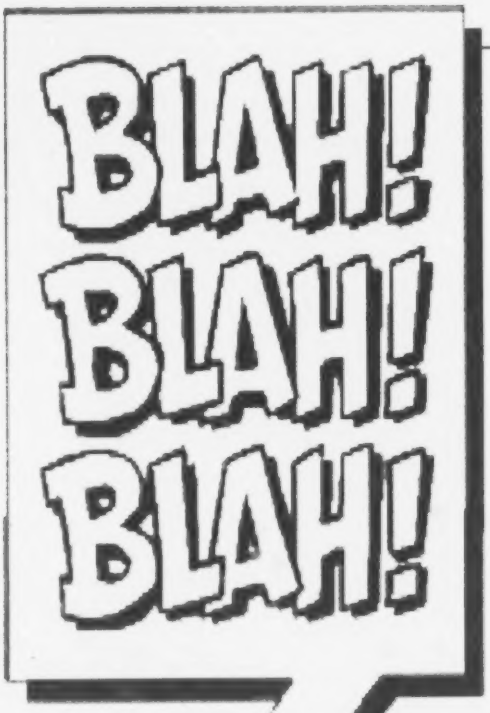
3. **"May I have your credit card or bank account number to hold this scholarship?"** No way. It may be a set-up for an unauthorized withdrawal from your account. Don't give out your or your parents' credit card or bank account number on the phone without first getting all the information in writing.

4. **"We'll do all the work."** Don't be fooled. There's no way around it. You must apply for scholarships or grants yourself.

5. **"The scholarship will cost you some money."** That doesn't make sense. Free money shouldn't cost a thing. Don't pay anyone who claims to have access to a scholarship for you.

6. **"You've been selected by a 'national foundation' to receive a scholarship"** or **"You're a finalist in a contest" (that you didn't enter)**. Be careful. Before you send money to apply for a scholarship, check it out. Make sure the foundation or program is legitimate. Some places imitate legitimate foundations, federal agencies, and corporations. They might even have official-sounding names, using such words as "National," "Federal," "Division," and "Foundation" to fool students and parents into thinking they are legitimate enterprises.

To find out how to spot, stop, and report a scholarship scam, contact the Federal Trade Commission at **P.O. Box 996, Washington, DC 20580**, on the Web at **http://www.ftc.gov**, or call the National Fraud Information Center at **1-800-876-7060**.



Don't get ripped off!

It is easy for a school to promise a good job. But it's hard to deliver. Some schools give low-quality training and don't find good jobs for their students.

Be careful!!

- **Don't fall for smooth talk!** Schools know that people want good jobs, and some of them use your hopes and dreams to catch you.
- **Don't sign anything too fast!** Don't sign an application form, an agreement, loan papers, anything—until you have time to take it home to read it. If schools won't let you take the papers home, don't trust them. They don't have your best interests at heart.

Remember:

If you sign for a student loan and then can't pay it back, here's what can happen:

- You won't be able to get credit to buy a car or get a credit card.
- Your federal tax refund may be taken by the IRS.
- You may be sued for the money.
- If you want to go to school later on, you won't be able to get a loan or a grant.

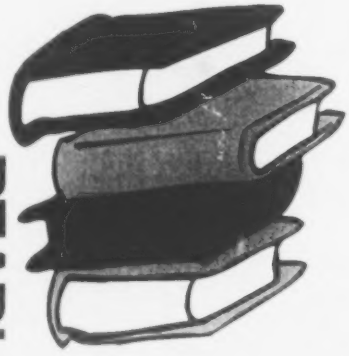
Choosing a Career

What's right for you after high school?

A first step in deciding what to do after high school is to talk with your school counselor or a teacher for advice. Ask your school counselor about taking an aptitude test or interest inventory to find your strengths and weaknesses and interests to discover potential career choices that are right for you.

1. **Learn about yourself.**
   - **Values**—What is important to you? Do you like working with others, or do you prefer working by yourself? Do you like working with your hands? Do you prefer variety or a familiar routine?
   - **Interests**—What appeals to you? What do you enjoy? Do you like solving problems? What gets your attention?
   - **Aptitude**—What are you good at? Are you good with words? Do you have artistic talent? Can you fix things?

READ!



2. Once you've narrowed your career choices, **talk to people who are working in that field** or, if possible, find a part-time job in that field.

   People who like their jobs (and even people who don't) are usually happy to talk about them. It's helpful to ask questions such as: "What's good and bad about this job?" Ask them how they learned their trade. There are many sources of career and job outlook information available—go to your school library, public library, or school counselor.

EXPLORE!

3. **Consider how much training you will need for the career you're interested in.**
   - **High school diploma**: cashier, receptionist, salesperson, security guard, telephone operator, waiter/waitress
   - **Special career training**: auto technician, firefighter, machinist, medical technician, police officer, computer operator, commercial artist
   - **College degree**: accountant, counselor, engineer, nurse, pilot, teacher, public relations specialist
   - **Graduate degree**: college professor, dentist, lawyer, veterinarian, research scientist, architect

Three Myths About Financial Aid

1. There isn't enough financial aid for students like me.

False. Many students and parents have the impression that the budget for the federal student aid programs has been severely reduced. In fact, funding for these programs has grown steadily. Federal student aid programs alone provided roughly $48.5 billion in grants, loans, and work-study assistance to more than 8.5 million people in 1998-99. While it's true that even this much aid cannot meet the full financial need of all students, students with the greatest financial need have the best chance of receiving assistance.

2. Only students with good grades get financial aid.

False. Many students think that financial aid is awarded on the basis of grades. While a high grade point average is certainly desirable and will help a student get into a good school and succeed in college, most of the federal student aid programs do not take a student's grades into consideration. Provided a student maintains satisfactory academic progress in his or her program of study, federal student aid will help a student with an average academic record complete his or her education.

3. You have to be a minority to get financial aid.

False. Funds from federal student aid programs are awarded on the basis of financial need. These funds are NOT awarded on the basis of race, creed, or gender. The FAFSA—the financial aid application for these programs—doesn't even collect this kind of information about an applicant.

Don't let these excuses stop you from obtaining your degree!

Glossary

Academic Year—A measure of academic work to be accomplished by a student. A school defines its own academic year, but federal regulations set minimum standards schools must adhere to if they wish to award federal financial aid funds. For instance, the academic year must be at least 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester or trimester credit hours, 36 quarter credit hours, or 900 clock hours.

Award Year—The time beginning on July 1 of one year and extending to June 30 of the next year. Funding for Federal Pell Grants and campus-based programs is provided on the basis of the award year—for example, a student is paid out of funds designated for a particular award year, such as the 1999-2000 award year.

Base Year—For analyzing student financial need, the base year is the calendar year preceding the award year. For instance, 1998 is the base year used for the 1999-2000 award year. The Free Application for Federal Student Aid (FAFSA) uses family income from the base year because it is more accurate and easier to verify than projected-year income.

Campus-Based Programs—The term that applies to three federal financial aid programs administered on campus by eligible institutions of postsecondary education. These programs are:

- Federal Supplemental Educational Opportunity Grant (FSEOG) Program,
- Federal Perkins Loan Program, and
- Federal Work-Study (FWS) Program.

Central Processing System (CPS)—ED's processing facility for the Free Application for Federal Student Aid (FAFSA). The CPS:

- receives student information from application processors,
- calculates a student's official Expected Family Contribution (EFC),
- performs several eligibility database matches,
- prints Student Aid Reports (SARs) or SAR Information Acknowledgements, and
- produces Institutional Student Information Records (ISIRs).

Citizen/Eligible Noncitizen—A student must be one of the following to receive federal student aid:

- U.S. citizen,
- U.S. national (includes natives of American Samoa or Swain's Island), or
- U.S. permanent resident who has an I-151, I-551, or I-151C (Alien Registration Receipt Card).

If a student is not in one of these categories, he or she must have an Arrival-Departure Record (I-94) from the U.S. Immigration and Naturalization Service (INS) showing one of the following designations:

- "Refugee,"
- "Asylum Granted,"
- "Indefinite Parole and/or Humanitarian Parole,"
- "Cuban-Haitian Entrant, Status Pending," or
- "Conditional Entrant" (valid only if issued before April 1, 1980).

If a student has only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), he or she is not eligible for federal student aid.

If a student is in the U.S. on an F1 or F2 student visa, or on a J1 or J2 exchange-visitor visa only, he or she can't get federal student aid. Also, persons with G series visas (pertaining to international organizations) are not eligible for federal student aid.

Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Work-Study, and Byrd Scholarships. These applicants should check with their schools' financial aid administrators for more information.

Consolidation Loan—A loan that combines multiple federal student loans into a single loan with one monthly payment. Consolidation loans are available through the Federal Family Education Loan (FFEL) Program and the Direct Loan Program. Both allow the borrower to combine different types and amounts of federal student loans to simplify repayment.

Note: A consolidation loan pays off the existing loans; the borrower then repays the consolidation loan.

Cost of Attendance (COA)—A student's cost of attendance at a postsecondary institution includes:

- tuition and fees,
- room and board expenses while attending school,
- allowances for books and supplies (including a reasonable allowance for renting or purchasing a personal computer),
- transportation,
- loan fees (if applicable),
- dependent-care costs,
- costs related to a disability, and
- other miscellaneous expenses.

In addition, reasonable costs for a study-abroad program and costs associated with a student's employment as part of a cooperative education program may be included. The cost of attendance is estimated by the school, within guidelines established by federal law. The cost of attendance is compared to a student's Expected Family Contribution (EFC) to determine the student's need for aid (COA - EFC = student's financial need).

Default—Failure to repay a loan according to the terms of the promissory note. Default also can occur if students fail to submit requests for deferments or discharges (cancellations) for education loans in a timely manner. There can be serious legal consequences for student-loan defaulters.

Default Rate—A percentage calculated each year for a postsecondary school on the basis of the number of former students who defaulted on the Federal Family Education Loan (FFEL) Program and/or Direct Loan Program loans received while attending that school.

ED—Abbreviated name for the U.S. Department of Education.

Eligible Program—A course of study that requires a certain minimum number of hours of instruction and period of time and that leads to a degree or certificate at a school participating in one or more of the federal student financial aid programs described in this handbook. Generally, to get student aid, a student must be enrolled in an eligible program.

Estimated Financial Assistance—Other student financial aid that must be taken into account to determine eligibility for federal student loans. Estimated financial assistance is called "resources" in determining eligibility (and preventing overawards) in the campus-based programs.

Expected Family Contribution (EFC)—The amount that a student's family is expected to contribute toward postsecondary education's cost of attendance, which is calculated using a formula established by Congress. It is used to determine if a student is eligible for federal student financial aid. The EFC is printed on the front of a Student Aid Report (SAR), SAR Information Acknowledgement, and Institutional Student Information Record (ISIR). An EFC Estimator will be included with the FAFSA on the Web and Renewal FAFSA on the Web beginning mid-February 1999.

Federal Direct Loan Program (Direct Loan Program)—Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (for parents), and Federal Direct Consolidation Loans. Funds for these programs are lent to student and parent borrowers by the federal government through schools that participate in the program.

Federal Family Education Loan (FFEL) Program—The Federal Stafford Loans (subsidized and unsubsidized), Federal PLUS Loans (for parents), and Federal Consolidation loan programs. Funds for these programs are provided by private lenders; the loans are guaranteed by the federal government.

Financial Need—The difference between a student's cost of attendance (COA) at a school and the Expected Family Contribution (EFC). (COA - EFC = student's financial need)

Free Application for Federal Student Aid (FAFSA)—An application completed and filed by a student who wishes to receive federal student financial aid. The application collects household and financial information used by the federal government to calculate the Expected Family Contribution (EFC) to postsecondary education costs. See also Renewal FAFSA.

Institutional Student Information Record (ISIR)—An electronic federal "output" record for schools that contains a student's Expected Family Contribution (EFC) as calculated by ED's central processing system (CPS) and all the financial and other data submitted by the student on the Free Application for Federal Student Aid (FAFSA). See Student Aid Report (SAR).

Need—The difference between a school's cost of attendance (COA) and a student's Expected Family Contribution (EFC). (COA - EFC = student's financial need)

Need Analysis—The process of analyzing household and financial information on a student's financial aid application and calculating an Expected Family Contribution (EFC) to determine the student's need for financial aid for postsecondary education costs.

Overaward—Generally, any amount of federal financial aid that exceeds a student's financial need.

Overpayment—Any payment of a Federal Pell Grant, FSEOG, Federal Perkins Loan, or LEAP grant (formerly SSIG) that exceeds the amount for which a student was eligible. An overpayment may be the result of an overaward, an error in the cost of attendance (COA) or Expected Family Contribution (EFC), or a student not meeting other eligibility criteria, such as citizenship or enrollment in an eligible program.

Promissory Note—A binding legal document that a borrower signs to get a loan. By signing this note, a borrower promises to repay the loan, with interest, in specified installments. The promissory note also includes any information about:

- grace periods,
- deferment or cancellation provisions, and
- a borrower's rights and responsibilities with respect to that loan.

Renewal FAFSA—A partially pre-formatted version of the FAFSA that students may use if they applied for federal financial aid the previous award year. If a student is among those allowed to complete a Renewal FAFSA, it will be sent directly to him or her by the FAFSA processor or the school. See also Free Application for Federal Student Aid (FAFSA).

Resources—Other student financial aid that must be taken into account to prevent overawarding aid in the campus-based programs. Resources are called other "estimated financial assistance" in determining a student's eligibility for federal student loans.

SAR Information Acknowledgement—A federal "output" document, similar to the SAR, that ED's central processor sends to a student who files the FAFSA through a postsecondary school's Electronic Data Exchange (EDE). See also Student Aid Report (SAR).

School—A postsecondary educational institution, such as a college, university, or career school. In this handbook, the term "school" refers to such an institution, not to a high school.

Simplified Needs Test—The Simplified Needs Test excludes assets from the Expected Family Contribution (EFC) calculation for low to moderate income families who file simplified tax returns (1040A, 1040EZ). For eligible students, the Central Processing System (CPS) automatically excludes the assets when calculating the EFC. Students and parents do not complete separate worksheets.

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Student Aid Report (SAR)—A federal "output" document sent to a student by ED's central processor. A student receives a SAR if he or she files a paper Free Application for Federal Student Aid (FAFSA) or files electronically using FAFSA on the Web or FAFSA Express. The SAR contains financial and other information reported by the student on the FAFSA. That information is entered into the processing system, and the SAR is produced. The student's eligibility for aid is indicated by the Expected Family Contribution (EFC), which is printed on the front of the SAR. (See also Institutional Student Information Record and SAR Information Acknowledgement.)

Student Financial Aid (SFA) Programs—Programs administered by the U.S. Department of Education:

- Federal Pell Grants,
- Federal Supplemental Educational Opportunity Grants (FSEOG),
- Federal Work-Study (FWS),
- Federal Perkins Loans,
- Federal Direct Stafford/Ford Loans,
- Federal Direct PLUS Loans (for parents),
- Federal Direct Consolidation Loans,
- Federal Stafford Loans,
- Federal PLUS Loans (for parents),
- Federal Family Education Loan (FFEL) Consolidation Loans,
- Leveraging Educational Assistance Partnership (LEAP) Program grants, formerly State Student Incentive Grants (SSIG), and
- Robert C. Byrd Honors Scholarship Program (Byrd Program).

Verification—A procedure where a school checks the information a student reported on the Free Application for Federal Student Aid (FAFSA), usually by requesting a copy of signed tax returns filed by the student and, if applicable, the student's parent(s) and spouse. Schools must verify information about students selected for verification by ED's central processor, following procedures established by federal regulations. The processor prints an asterisk next to the Expected Family Contribution (EFC) on SARs and SAR Information Acknowledgements and flags ISIRs to identify students selected for verification. Many schools also select certain other students for verification themselves in addition to those selected by the central processor.

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